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NEWS SUMMARY

NERAL

sraelis ack Maronite ilitias

el has sent Lebanese ristian militias large quanti- of arms, and military visers it was reported in lrut.

everal hundred Israeli visers are believed to have m sent but some estimates the numbers as high as 00. The weapons, including ne Sherman tanks, were ried to Junieh and Dbayeh.

ienna talks

Israel was optimistic yesterday at the stalemate in the peace ks with Egypt had been oken after the talks in Austria tween President Sadat and Mr. er Weizman, the Israeli fence Minister.

But President Sadat remained itical of the Israeli Premier's flexibility. "What Begin wants security, coexistence, normal lations and all the land and vereignty. I am ready to meet e first three, but not to submit nd or sovereignty under any rcumstances," he said. Page 2

ir Hugh Fraser ined £600

r Hugh Fraser, financier and ores chief, was fined £100 for isclassification of an unsecured 2m. loan in the accounts of ottish and Universal Investents.

The charge, under the 1948 ompanies Act, referred to 1975 hen Sir Hugh was chairman d managing director of SUITS. e was also fined a further £500 separate charges, which he lmitted, of failing to notify the mpany within the required two-eek period of 60 of his dealings its shares. Back Page

riests expelled

he Vicar-General of the nglican Church in South West frica, his wife, and a Roman atholic priest have been rdered to leave the territory. he expulsion orders came a day fter the South African Administrator-General was given powers o deport "undesirable" people. age 2

igilantes urged

sian community leaders are rging their people to join self-efence groups to combat ncreasing "Nazi" violence. hey also urge Asian businessmen to give financial support to he Anti-Nazi League—Page 4

MPs' pay rise

Government ministers and MPs re to get a 10 per cent pay ise, their first since 1972. The Prime Minister's salary will rise rom £20,000 to £22,000 and Mrs. Thatcher's pay will be increased rom £9,500 to £10,450. The ises, effective from June 30, will give back benchers a salary of £6,897. Page 4

Blacks resign

Two of the first blacks to join he Rhodesian Broadcasting Corporation's Board have resigned because they do not believe they can change the role of the country's radio and television stations as pro-government propaganda outlets.

Whitlam retires

Mr. Gough Whitlam, the Australian Prime Minister sacked after a constitutional row in 1975, is to retire from politics.

Briefly...

British Open golf championship: Peter Oosterhuis (GB) and holder Tom Watson (U.S.) share the lead on five-under-par, 211, after three rounds. Ben Wright, Page 9

A public inquiry into the Taunton sleeper train tragedy will begin at Taunton on July 24.

Japanese police are hunting for a mobster who ate the ashes of his murdered underworld boss.

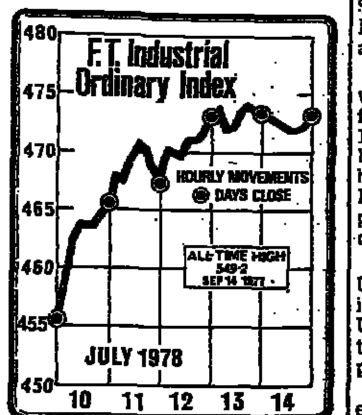
British Leyland is to call in more than 140,000 Austin Allegros for checks on rear hub assembly. Back Page

Two Welsh Language Society demonstrators barricaded themselves in a Dyfed television station and blacked out transmissions.

BUSINESS

Surplus lifts equities, gilts

● EQUITIES were encouraged by the June payments surplus. Leaders had drifted in earlier dealings. The FT 30-Share



index, which was down 1.6 in the early afternoon, closed at 474.4 for a gain of 0.8 on the day and 18.8 on the week.

● GILTS rose after the payments figures were announced. The longs were up ½ at the close. Shorts were only marginally better, however. The Government Securities index gained 0.24 to 70.26, making a rise of 1.55 on the week.

● STERLING reached $1.8923 in the morning but eased towards the close to end at $1.8825 for a fall of 40 points. The trade-weighted index was unchanged at 62.0. The dollar's trade-weighted depreciation was unchanged at 7.7 per cent.

● GOLD fell $½ to $185⅞. The New York Comex July settlement was $186.00 ($185.50).

● WALL STREET rose 15.07 to 839.83. Good second quarter earnings were an encouraging factor.

● COBALT price was raised to $12.50 a pound from $8.50 by Memaco, the Zambian metals marketing company. This means the UK price will rise £4,000 a tonne to £14,875. Back Page

Building society receipts fall

● BUILDING SOCIETY net receipts fell to £147m last month from £212m in May. This is the lowest for 18 months. Some estimates suggest receipts of less than £100m this month. Withdrawals to pay for holidays and competition from National Savings are the causes. Page 3

● FOOD PRICE inflation was almost certain to be 10-12 per cent by the end of March compared with 6.7 per cent at present, Mr. Garry Weston, chairman of Associated British Foods, told the annual meeting. Page 16

● SIM-CHEM, a Stockport process plant contractor, said it lost the chance of a £6.5m order from Egypt because the Foreign Office left its bid document out of a diplomatic bag going to Cairo. If this is proved true it could have serious repercussions. The practice contravenes the Vienna Convention on Diplomatic Relations. Back Page

● BRITISH AIRWAYS cancelled 160 domestic flights from UK airports because of a 24-hour strike by staff in Liverpool who were supported by ramp staff at Heathrow. They are disputing terms for the airline's withdrawal from Liverpool. Shuttle services were not affected.

● DAILY TELEGRAPH production in Manchester was delayed for a second night by the continuation of a meeting by members of the National Union of Journalists who are protesting about a pay offer. The paper was reduced from 28 pages to 16.

COMPANIES

● ROTHMANS increased pre-tax profit 21 per cent to £80.6m in the year to March 31. This reflects growth on the Continent. Page 16 and Lex

● IBM increased its net earnings by 5 per cent to $691.2m in the second quarter of the year. Page 19

Setback for Airbus as United Airlines orders Boeing jet

BY STEWART FLEMING, NEW YORK July, 14

The European Airbus Industrie consortium's hopes of another breakthrough into the U.S. commercial jet market were dampened today when United Airlines placed the largest ever jet airliner order with Boeing.

United, the biggest U.S. airline, said after a specially convened Board meeting that it would buy 30 of a completely new range of widebodied jets from Boeing for $1.2bn, and a further 30 of Boeing's existing 727-200 jets at a cost of $400m.

The order means that Boeing will now be able to launch the first of its planned family of new 180-220 seat medium range widebodied jets. The aircraft ordered by United, designated the Boeing 767, will be the first completely new U.S. commercial jet of the decade.

The order is also vital for the U.S. aerospace industry, which is a major contributor to the U.S. balance of payments through its commercial jet exports.

The world aviation industry is entering a new phase of capital investment which could involve expenditures of $70bn on new jets over the next decade.

Until to-day's announcement, however, the U.S. manufacturers, who have traditionally dominated the industry, had no contender in what is expected to be one of the largest segments of that market—the medium range 180-220 seat jet.

The Airbus Industrie consortium, in contrast, formally launched the first jet in this category earlier this month.

The consortium has been working on designs for a 200-seat scaled down version of its large A300 wide-body, designated as the B-10.

Following announcements that Swissair, Lufthansa and Air France had ordered the B-10, Airbus Industrie was able to say that the jet would be going into production.

Earlier this year United Airlines was widely expected to order a new widebodies jet from Boeing. But last month it emerged that United was also actively considering buying the Airbus B-10.

Today's announcement from United rules out any possibility that the company will order B10s, Mr. Richard Ferris, the company's president and chief executive, said.

Airbus Industrie pointed out today that the decision to launch the B-10 was already taken and not affected by the United order with Boeing.

The consortium has a firm order from Eastern Airlines of the U.S. for 23 of its larger A-300 B-4 jets worth $778m. Eastern also has options to buy 25 of the smaller B-10s.

Mr. Ferris said that United's decision to buy the Boeing 767 was taken on the merits of the two aircraft and that the nationality of the manufacturer was not a factor. But he refused to be drawn into a detailed discussion comparing the two jets.

He would not say how much each of the Boeing aircraft cost, pointing out that it was not $40m, the sum arrived at by dividing the contract price by number of aircraft. The total contract price was in a 1983 dollar estimate and included spare parts and guarantees, he added.

On the question of finance, thought to be an area where the B-10 might have an edge, United would finance a substantial part of the price from its own resources (it had over $600m in cash in its end-1977 balance sheet) and the rest from traditional lenders.

Mr. Ferris also disclosed that the Boeing 767 would be fitted with engines manufactured by the Pratt and Whitney division of United Technologies and not rival engines produced by the U.S. General Electric Company.

Boeing share price today closed 2⅝ up at $59¼. It started the year at around $28¼.

Shcharansky sentenced to 13 years imprisonment

BY DAVID SATTER MOSCOW, July 14

MR. ANATOLY SHCHARANSKY, the Jewish dissident, was today sentenced to 13 years in prison and labour camp after being found guilty by a Soviet court of treason in the form of espionage and anti-Soviet agitation, for which the maximum penalty is death.

Tass, the Soviet news agency, announced shortly after the verdict was handed down in the Shcharansky case that in an unrelated trial Mr. A. Filatov who was tried for treason in the form of espionage by the Military Collegium of the Supreme Soviet Court was sentenced to be shot.

The news of the Shcharansky verdict was given to correspondents by Mr. Leonid Shcharansky, the sentenced man's brother, who was the only member of the family who was allowed into the court during part of the five-day trial.

Leonid Shcharansky said that the first three years of the sentence was to be served in prison with the year and a half that his brother had already served, counted against the sentence and the remainder in labour camp under "strict regime" conditions, the second toughest of the four regime's governing diet and conditions.

Aside from the consistent refusal of Soviet authorities to allow Mrs. Ida Milgrom, Mr. Shcharansky's 70-year-old mother, into the court where her son was on trial, the authorities indicated by their actions during the trial that they were anxious to minimise its adverse affect on world opinion.

In the other trial Mr. Filatov had been convicted of sending political military, and economic secrets to a foreign intelligence service from the territory of the Soviet Union after being compromised and then blackmailed by that service while in Algeria on business in 1974.

Leonid Shcharansky said that in his final statement before the court, Mr. Shcharansky recalled that he was warned repeatedly during the investigation of his case that he could be shot and would receive no less than 15 years if convicted on the treason charges. But he was also advised that if he agreed to cooperate "in the destruction of the Jewish movement," he would be allowed to emigrate and join his wife, Avital, in Israel.

Mr. Shcharansky had told the court he rejected this and "honoured my conscience even though this meant my dream of Israel is further away than ever."

He was proud to have worked in the Helsinki group with "such brave, honourable people" as Dr. Orlov, Dr. Andrei Sakhrov, the Nobel Peace Prize winner, and Mr. Alexander Ginzburg who, he said, were continuing the great traditions of the Russian intelligensia.

The accusation that he forwarded Soviet defence secrets to the West was absurd.

All he could say to his wife and supporters was "next year in Jerusalem."

"To this court which decided my fate in advance I have nothing to say," he added.

Bonn denounces trial, Back Page

Iacocca quits U.S. Ford

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

MR. LEE IACOCCA, the senior Ford executive who for the past decade has been heir apparent to Henry Ford II, resigned abruptly yesterday following a management re-shuffle in which he was effectively demoted.

In a statement issued by the company, Mr. Ford said that difficulties had arisen with Mr. Iacocca during the past 18 months over the way the company should be organised "at the most senior level." He was now leaving in the "best interests of the company and himself."

Mr. Iacocca, the company's president since 1970, added that he was departing amicably. But in the past few months it has become increasingly clear that he was engaged in a bitter battle for succession to Mr. Ford.

His departure is bound to lead to renewed speculation as to who will take over as chief executive and chairman. Mr. Ford, whose family controls 50 per cent. of the voting stock of the group — the world's second largest motor company — has made it clear that he himself wants to give up executive authority in 1980. He will then be 63 and will have had over 30 years at the top.

Mr. Philip Caldwell, a former Ford of Europe chairman, emerged as a strong candidate for the job about a month ago when he was appointed vice-chairman and deputy chief executive officer.

It was made clear at that time that Mr. Iacocca, who had previously served alongside Mr. Caldwell with equal status in the office of the chief executive, would in future report to him.

At the same time it is widely rumoured in Detroit that the way is being prepared for another member of the Ford family to assume the chairmanship, with Mr. Caldwell acting as a steadying influence alongside him.

Mr. Caldwell, 58, is reckoned to be ideal for this role because of his reputation for sound judgment allied with a broad-ranging experience of the group's business, particularly overseas where much of its growth has been generated in recent years.

It is significant that during the last re-shuffle, Mr. William Clay Ford, the 53-year-old younger brother of Henry, was appointed chairman of the executive committee and a member of the office of the chief executive.

In the longer term, Mr. Henry Ford has said that he would like his son Edsel, who is 29, to take over as chairman. He has recently been made deputy managing director of Ford of Australia in an attempt to groom him for the top.

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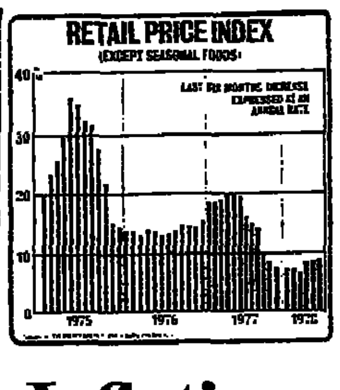


Inflation rate down to 7.4%

BY MICHAEL BLANDEN

THE INFLATION rate fell again last month. The increase in the retail price index over 12 months dropped to 7.4 per cent in mid-June, compared with 7.7 per cent in the previous month.

The news was welcomed yesterday by Mr. Roy Hattersley, Secretary for Prices and Consumer Protection, who said the June figure was the lowest since September 1972.

Looking ahead to next week's pay talks, he said in a radio interview that if the next pay round was "moderate, sensible, practical," inflation might be kept in single figures next year.

The inflation rate is likely to have reached the trough of the present cycle, and might start to turn upwards slightly this year.

This month's figures may anyway show a renewed rise in the year-on-year rate of price increases. In July last year there was a rise of only 0.1 per cent, but this year several factors, including the initial impact of the increase in building society mortgage rates, could result in a faster increase during the month.

Last month the rise of 0.8 per cent in the index of prices of all items to 197.2 was rather bigger than had been hoped by some City observers. However, the figure was boosted by a 7.1 per cent rise in prices of seasonal foods as a result of increases in items such as carrots and potatoes.

Mr. Hattersley repeated his forecast that the inflation rate should settle at about 8 per cent and remain there for the rest of 1978.

Over the past six months the index which excludes seasonal foods, rose by 4.3 per cent, equivalent to an annual rate of 8.9 per cent, and has been showing a slightly accelerating rate of rise since March.

However, the figures are distorted by the impact of local authority rent and rates rises in April, when the index jumped by 1.4 per cent. Apart from that, the rises, excluding seasonal foods, have been running consistently about 0.6 per cent a month, equivalent to an annual rate of about 7.5 per cent.

The rise in the all-items index last month was due mainly to increases in the prices of meat, some fresh fruit and vegetables, cars and electricity.

UK current account back in surplus

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN'S current account swung back into surplus in June, continuing this year's monthly pattern of alternate surpluses and deficits.

Behind the erratic month-to-month movements, the underlying trend has improved, although by less than the Treasury expected in its Budget assessment.

The main positive influence has been rising North Sea oil production. The growth of other exports has been only slightly upwards and imports of manufactured goods have been buoyant.

The current account surplus was £14m in June, an improvement of £112m on the revised deficit for May. Just over half the change represented a drop in imports of crude oil to what officials believe may have been an erratically low level.

There was slight disappointment in the foreign exchange markets yesterday with the trade figures and the retail price index. The pound closed 40 points lower on the day at $1.8825, after touching at high of $1.8922½. The trade-weighted index was unchanged at 62.0.

Over the April to June period as a whole, the current account was in surplus by £224m, compared with what was seen in Whitehall as the erratically large deficit of £305m in the first quarter.

Most of the improvement was explained by a £200m turnround on the balance on erratic items, notably precious stones and ships, and a reduction of about £220m in the deficit on trade in oil.

However, the overall current account deficit fo £81m in the first half of the year contrasts with the surplus of £250m forecast by the Treasury in mid-April at the time of the Budget.

Officials stress the extent of revisions to the figures this year. It is possible the later outcome could be more favourable because of a larger invisibles surplus than the present projected monthly figure of £120m as a result of more buoyant travel and services earnings.

The official view is that with North Sea oil production rising steadily, the UK should be in surplus during the second half of the year, although there is no indication yet of whether the Budget estimate of a second-half surplus of £500m has been revised.

The UK still would be in substantial deficit without North Sea oil: for example, the deficit on trade in oil in the first half of the year narrowed by £850m, compared with the same period of 1977.

The main explanation for the gap between Treasury forecast and the first-half outturn, on present estimates, is the high

BALANCE OF PAYMENTS
£m seasonally adjusted

		Visible trade	Invisibles	Current account
1977	1st	−947	+454	−493
	2nd	−764	+399	−365
	3rd	+ 54	+483	+537
	4th	+ 45	+441	+486
1978	1st	−574	+269	−305
	2nd	−136	+360	+224
	Jan.	−338	+ 90	−248
	Feb.	+ 43	+ 89	+132
	Mar.	−279	+ 90	−189
	Apr.	+188	+120	+308
	May	−218	+120	− 98
	June	−106	+120	+ 14

Source: Department of Trade

level of imports of industrial materials. Such purchases rose sharply in the first three months of the year partly because of speculative stockbuilding at a time when sterling was strong.

But, imports of industrial materials, including semi-manufactured goods, subsequently have not fallen back by as much as was hoped. While volume was 3 per cent lower than in the first quarter, it was 7 per cent higher than the average for 1977. This might reflect a change in the pattern of imports or a stronger underlying level of industrial output than reported so far.

Imports of finished manufactured goods, excluding erratic items, rose by 4½ per cent in volume in the second quarter, compared with the first three months of the year, and were 14.5 per cent higher than the 1977 average.

This is not much faster than expected and is by no means solely the result of the rise in consumer spending since capital goods purchases such as machinery have grown especially rapidly.

Exports of manufactured goods have been expanding more or less as expected in view of the sluggish state of world trade. There was a 1½ per cent rise in volume—again excluding erratic items—between the last two quarters, but a rise of only 2½ per cent compared with the average for the last year.

However, the intentions survey of the Confederation of British Industry has pointed to a slightly brighter picture later in the year.

Exports of road vehicles have been particularly buoyant, rising by 14 per cent in volume on a quarterly comparison.

Table Page 4

£ in New York

—	July 14	Previous
Spot	[illegible]	[illegible]
1 month	[illegible]	[illegible]
3 months	[illegible]	[illegible]
12 months	[illegible]	[illegible]

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. 13¼pc 1997	£103¼	+ ⅜
Assd. News	172	+ 4
Barclays Bank	326	+ 6
Beecham	667	+ 7
Daily Mail A	328	+ 13
Fenner (J. H.)	146	+ 18
Gordon and Gotch	75	+ 8
Howden Group	70½	+ 5½
ICI	385	+ 4
Lloyds Bank	280	+ 6
McCorquodale	263	+ 11
Nat. Carbonising	43	+ 6
Nichols (Vimto)	182	+ 9
Royal Worchester	151	+ 4
Steel Bros.	228	+ 5
WGI	108	+ 5
Wallis	143	+ 37
LASMO "Ops"	340	+ 20
Hartebeest	£13	+ ½
Westfield Minerals	108	+ 11

FALLS

Brentnall Beard	28	− 4
Elliott (Peterbro')	16	− 4
Fisons	365	− 5
Gestetner A	176	− 25
Hambros	171	− 5
Lebus (Harris)	39	− 3
Trafford Carpets	27	− 5
BP	866	− 10
Guthrie	350	− 8

Israeli weapons for Lebanon's Christian forces

BY IHSAN HIJAZI BEIRUT, July 14.

ISRAEL is understood to have provided Lebanese Christian militias with large quantities of arms and sent military advisers to help them use the equipment.

The weapons, including some Sherman tanks, were ferried to Jonteh, the Christian-dominated port north of here, and Dbayeh, a small dock not far from Jounieh.

The exact number of Israeli advisers sent to help the Maronite groups was not disclosed, but it is believed to be several hundred. Some estimates put the number as high as 1,000.

A sea-borne shuttle has been in action for the past two weeks between Jounieh and Haifa. It started at the outbreak of fighting between the Syrian troops of the Arab peace keeping force and the Christian militias in and around east Beirut.

While an uneasy calm continues to prevail—albeit with sniping in certain confrontation areas—the combatants are mobilising for further action. Observers noted too that the Syrians have brought in reinforcements and additional weapons.

According to Western military sources most of the sniping is done by the militias, with Syrian forces exercising maximum restraint. Several Syrian soldiers have been killed and wounded by snipers since the ceasefire took effect a week ago.

It is believed that if the provocations continue the Syrians might go into the Christian areas with tanks to try finally to crush the militias.

In anticipation of such eventualities, the right-wing Christian forces have been seeking anti-tank weapons and received some of them from Israel.

Military aides of President Elias Sarkis have been working on arrangements to lessen the danger of friction in tense areas but so far have only succeeded in stationing Lebanese policemen between the Syrians and the Christian gunmen.

President Sarkis was reported to be preparing an address to the Lebanese people to announce his intentions and whether he will stay on or resign. Reports in the Press today said that the President may decide to remain in office for a trial period of three or four months.

If his efforts during the period to solve the crisis prove a success, he will continue in his post. Otherwise, he will resign.

Palestinian factions clash over kidnap

SIDON, Lebanon, July 14.

AL FATAH commandos clashed in fierce fighting with radical Palestinians in southern Lebanon today. First reports said at least 12 people had been killed or wounded. The fighting flared last night because of disagreement over the temporary kidnapping of 40 men of the UN Interim Force in Lebanon (UNIFIL) by hard-line commandos last Wednesday.

As the Palestinians battled each other with automatic weapons and rocket-propelled grenades near the southern ports of Sidon and Tyre, panic-stricken civilians fled Tyre for safer areas, eyewitnesses reported.

Fatah threw up 14 roadblocks on a six-mile stretch of the main coastal road leading from Tyre to Beirut, and encircled pockets of radicals entrenched in the refugee camps of Al Buss and Ain Helch in Tyre and Sidon respectively. On Wednesday, guerrillas of the hard-line "Rejection Front" seized 40 UNIFIL troops and held them captive for five hours.

No breakdown of the casualty figure was available but several commandos had been killed in the fighting, according to Palestinian sources.

The eyewitnesses said it involved commandos of all groups of the "Rejection Front" with the exception of its leading organisation, the Popular Front for the Liberation of Palestine (PFLP).

A French UN officer in Sidon said that UNIFIL had been placed on alert but there was no indication that its men had been involved in any action.

Last night, the Palestinian news agency WAFA blamed pro-Iraqi commandos of the Palestinian Liberation Front (PLF) for the temporary detention of the UN troops and said the PLF had acted on orders from "outside"—a clear reference to Iraq.

The latest bloodshed in war-battered southern Lebanon contrasted with a gradual return to a semblance of normality in Beirut, shaken by five days of bloody fighting last week between right-wing miltiamen and Syrian troops.

Reuter

Sadat-Weizman talks generate new optimism

BY DAVID LENNON TEL AVIV, July 14.

ISRAEL was optimistic today that the stalemate in the peace negotiations with Egypt have been broken following the talks in Austria yesterday between President Anwar Sadat of Egypt and Mr. Ezer Weizman, the Israeli Minister of Defence.

The feeling in Jerusalem is that now that the direct contacts have been resumed, the meeting of the Israeli and Egyptian Foreign Ministers in London next week will be able to concentrate on practical issues, rather than on ways to continue the negotiations.

Mr. Weizman arrived back in Israel early this afternoon and went directly to Jerusalem to report to Mr. Menachem Begin, the Prime Minister. Neither man was prepared to make any comment after their 90-minute meeting.

The Defence Minister said that he wanted to report to the cabinet on Sunday before making any public statements about his talks with President Sadat.

A number of ministers had disapproved of Mr. Weizman's trip, arguing that the Government was allowing the Egyptian leader to pick and choose which of the Israeli leaders he wished to meet. Mr. Sadat is deriving public relations benefit from the meetings without making any concessions, some ministers argued.

However, it appeared today that even the sceptics were more hopeful for real progress in the Middle East talks following the Salzburg meeting. Fears that the London conference would end in stalemate have lessened considerably.

It is expected that there will be a series of consultations between the senior ministers over the weekend prior to Sunday's Cabinet meeting. After the Cabinet hears a full report by Mr. Weizman on the talks it will issue guidelines for Mr. Moshe Dayan, the Foreign Minister, for next week's talks with Mr. Mohammed Ibrahim Kamel, his Egyptian opposite number.

Earlier suspicions that the U.S.-initiated London talks were basically designed to pressure Israel has eased. It is thought that the Cabinet may re-evaluate its attitude towards the Foreign Ministers' meeting and issue Mr. Dayan with less rigid guidelines than those agreed on at the last Cabinet meeting.

Our Foreign Staff writes: Mr. Shimon Peres, leader of the Israeli Labour Party Opposition, said in London yesterday that the resumption of direct negotiations with Egypt was in itself "a welcome indicator for the future" and a "positive step."

Asked whether his own talks with Mr. Sadat last week might modify the position of Israel—which has rejected in advance Egypt's "peace plan"—he replied: "The Government's position is still flexible enough and does not need my encouragement."

Trade plan worries developing countries

By Reginald Dale

GENEVA, July 14.

THE DEVELOPING countries today reacted with predictable concern to the international trade reform package agreed yesterday by the leading western industrialised nations. Mr. Petar Tomic, the Yugoslav spokesman for the third world at the Tokyo round of multilateral trade talks here, complained that developing countries had not been consulted on the agreement and said that progress in the talks could only be properly assessed by all the countries involved.

He made clear, however, that the developing countries were not going to take radical action or walk out of the talks in protest. The developing countries were still optimistic that their interests could be taken into account and would continue to take a constructive approach in further negotiations over the coming months, he told a news conference here.

Mr. Tomic said the agreement in principle reached by the U.S., the EEC, Canada and Japan—the participants at this weekend's Bonn summit — did not adequately reflect the interests of developing countries. The agreement is intended by the major western powers to lay the basis for a conclusion of the five-year long negotiations by the end of this year.

The statement issued by the western powers had omitted issues of major concern to developing countries, such as tropical products, the principle that safeguard actions should not *discriminate against developing* countries, the right of developing countries to use subsidies for their industrial development, improvement in GATT rules on government assistance to economic development and the elimination of quantitive restrictions on developing countries' exports, he said.

Draft codes of conduct for modernising the rules of world trade, endorsed by the industrialised countries, contained elements that might seriously affect the trading interests of developing countries, according to Mr. Tomic's statement. He warned that future agreements in such areas would require the full participation of developing countries.

U.S. warns of obstacles to new pact

By Adrian Dicks

BONN, July 14.

MR. ROBERT STRAUSS, the U.S. special trade representative, said in Bonn to-day that the "framework of understanding" reached in Geneva meant that "we are 80-85 per cent of the way home." But he warned that the remaining obstacles to conclusion of the Tokyo round must not be under-estimated.

Mr. Strauss emphasised the goodwill of Governments taking part, but he also said that the framework of understanding fell short of the "full, broad, political agreement" which it had been hoped to present in time for the world economic summit meeting in Bonn this week-end.

Among the issues which Mr. Strauss identified as still presenting difficulties were those of a code covering the application of safeguard measures by individual countries, and of ways to control subsidisation of industry.

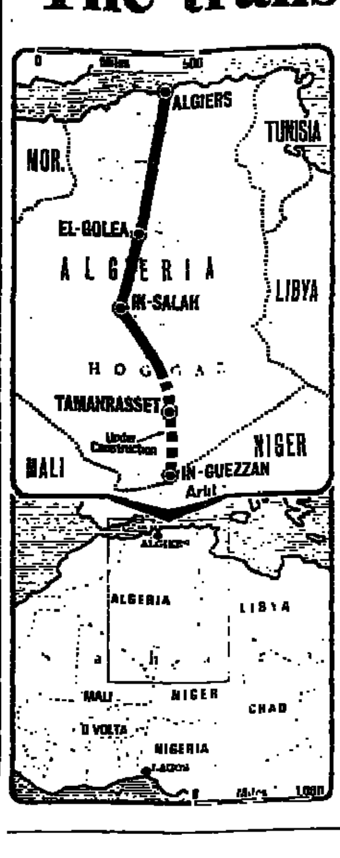
According to senior West German officials, who also consider the Geneva understanding a "relative success," the resistance of Britain and to a lesser extent, France, is the main stumbling block to further progress on both issues.

However, Mr. Strauss also indicated that the U.S. itself remains unsatisfied on several important points, and chiefly on improved access to overseas markets for American agricultural products. "If this is not increased there will be no agreement," he said. The same applied, he added, to computers.

Asked whether the Tokyo Round negotiations still had a long way to go, nonetheless, Mr. Strauss said: "No, certainly not if you consider the distance we have come in the past year."

For the first time, he stressed, GATT would supplement its anti-dumping code with comparable rules on customs evaluation, standards, licensing, Government procurement and counterfeiting of trade names.

The trans-Sahara highway: green light in the desert



BY HOWARD SCHISSEL

THE SAHARA desert has long represented a practically impassable sand and rock barrier to both commercial dealings and diplomatic relations between the Maghreb countries of North Africa and their southern neighbours in black Africa. The long and dangerous trans-Sahara voyage has discouraged all but the hardiest travellers.

The idea of building a modern tarmac trans-Sahara route dates from the period when France had dreams of consolidating a vast Sahara empire. In many respects, this scheme was the equivalent of the Cape to Cairo railway which fuelled British imperial imagination at the end of the nineteenth century. None the less, it was not until Algeria won its independence in 1962 that the new Government set about transforming this colonially-inspired project into a national reality.

After years of consultations between Saharan states and detailed economic viability surveys by UN experts, an Algiers-Tamanrasset road with a branch stretching out towards Mali and another passing through Niger *to Nigeria*, was finally selected. The green light for construction of the trans-Sahara road was given in 1971 by the Algerian Government.

Difficult working conditions in the harsh Sahara climate, added to Herculean civil engineering and logistical feats required to keep the road progressing, meant that it advanced by about 170 kilometres a year. The 410 kilometres separating the oases of El-Golea and In-Salah was covered with tarmac in just two years. On the other hand, the 694-kilometre stretch from In-Salah to Tamanrasset posed innumerable problems which slowed down construction. South of In-Salah the road had to pass through the extremely rugged Hoggar region.

By mid-1978, the tarred portion of the trans-Sahara had reached a point less than 150 kilometres north of Tamanrasset. Algerian officials are still intent on finishing this section of the road by the end of this year. In order to meet the rapidly approaching deadline, several additional work sites have been recently opened. If all goes well, the Niger border post of In-Guezzan will be reached by the target date of 1980.

Algeria has mobilised its armed forces to build the road. This has permitted young draftees to acquire valuable skills which will subsequently be of value in the nation's other ambitious development projects.

Another positive aspect of the Algerian army's participation in the construction of the trans-Sahara has been sharply to cut back costs. It is estimated that cost per kilometre in Algeria will be between FFr 250,000 and FFr 300,000. By contrast in Niger, the use of private construction firms will result in at least a doubling of this price.

During the last decade only a limited commercial traffic—and a sporadic flow of tourists—have braved the trans-Sahara route. When the state-owned Algeria National Road Transport Company (CNTR) recently initiated a regular service, British, French and Italian firms began sending overland an increasing flow of goods to Nigeria. The clo[gged] Nigerian ports meant delivery delays. With a cost [lower] than air freight and a [high] degree of reliability, [trans-]Saharan transport has [been] taking on added importance [in] the Republic.

The service proved so pop[ular] that a special trailer ser[vice] designed to reduce trans[ship]ment delays, was inaugur[ated] with weekly runs. Now when trailers come ashore in Alge[rian] ports, they are immedia[tely] hitched to specially desig[ned] lorries for the trying Sah[aran] journey.

Depending on the clim[atic] conditions, the 3,500 kilome[tres] between Algiers and Lagos [can] be covered in between eight [and] 11 days. In the 1980s, when [the] road is completed, travell[ing] time should be reduced to [...] days and shipping costs furt[her] trimmed. A pool of about [...] drivers, skilled in the difficul[ties] of long-haul desert transport, [are] available for service. Howe[ver] only about 30 lorries are [...] up on the Sahara run at [any] one time.

ANDREW YOUNG

An embarrassment of talent

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

EVEN IF he had never opened his mouth to a reporter from the French newspaper Le Matin, Andrew Young would, in any case, have figured prominently in the news this week.

Wednesday's announcement in Luanda that the five Western Powers and the SWAPO nationalist leadership had reached agreement on a peaceful transition to independence in Namibia represented a significant triumph for the American ambassador to the United Nations and for his own personal style of diplomacy.

But that achievement has been completely overshadowed for the moment by his remarks that there are "hundreds, perhaps thousands," of political prisoners inside the United States.

Regardless of the truth or otherwise of his comments, or whether they were taken out of context, in one fell swoop he grievously embarrassed his friend and President, Jimmy Carter, at a time when the U.S. was conveying moral outrage at the dissident trials in the Soviet Union and provided Moscow with the sort of propaganda fodder that the Kremlin, in its wildest dreams, could never have expected to receive.

It prompted demands for his impeachment in the Congress, a dressing down from Cyrus Vance, the Secretary of State, in Geneva, the possibility of further disciplining from the President himself, and a general reaction in the U.S. that was neatly summed up by an editorial in the Baltimore Sun which observed that Mr. Young had become "a media freak, an embarrassment to the Administration he is supposed to serve and an easy target for every racist sitting in Congress or on a stool at the neighbourhood bar."

It also prompts another basic question: why did he do it?

None of his previous publicised verbal asides have been of more than passing consequence. Many of them have been blown out of all real proportion by a sensation-seeking Press, to whom, notwithstanding, Andrew Young hardly ever says no.

The world has not changed because he called the Swedes "racists" or questioned Britain's commitment to pursue the path to majority rule in Africa. In any case, many serious people in the U.S. agreed with what he had to say, even if they regretted that he said so publicly.

Moreover, his penchant for bluntly speaking his mind has to be matched against a deserved reputation for skilful diplomacy — as Martin Luther King's lieutenant in the thick of the civil rights movement, as an extremely successful black Congressman from Georgia, and, offending diplomatic niceties aside, as an effective ambassador at the UN, who has drawn widespread praise from representatives of the Third World.

Part of the answer may lie in those gut feelings forged in the civil rights movement. If he had said what he did this week 10-15 years ago, many whites as well as blacks would have supported him.

But the pace of social change in the past decade has slowed. American blacks have become disenchanted with the man whom Andrew Young worked so hard to put in the White House and may even be wondering if their faith in Andy Young himself was not misplaced.

It is possible, therefore, that he was speaking essentially to a domestic constituency, partly out of conscience, partly, as some are now saying, because he is looking beyond his term at the UN to a return to national politics.

Others who know him well suggest that he is chafing at the ambivalence of his current job and lifestyle—simultaneously enjoying the affluence and social comfort that comes with his post (and which is shared by representatives of some of the poorest countries at the UN) but finding this sitting ill with the missionary fervour that has not died within him.

Mr. Vance, the mildest mannered of men, was reduced to unprintable expletives when he heard of this latest and most ill-timed outburst. But much as they have deplored his public infelicities, all members of Mr. Carter's foreign policy establishment like Andy Young and value his advice.

The President made his friend ambassador to the UN not for *domestic political reasons* but because he thought he had a genuine contribution to make—which he certainly has.

But Jimmy Carter also knows perfectly well now that if he does more than bring Andrew Young to heel, he could well pay a severe domestic political price.

S. Africa cautious on Namibia

BY JOHN STEWART CAPE TOWN, July 14.

THE LUANDA agreement to take Western settlement proposals on Namibia to the UN Security Council for formal endorsement has met with a cautious response from those members of the South African Cabinet most intimately involved in the settlement plan.

The Defence Minister, Mr. P. W. Botha, said that a reduction of South African security forces in Namibia would take place only when there was visible peace and an end to violence. He made it clear that South Africa would not entertain departures from the security arrangements defined in the Western settlement proposals accepted by South Africa at the end of April.

The Foreign Minister, Mr. R. F. Botha, permitted himself a more hopeful response, noting that the Luanda agreement could herald a new era in southern Africa. He cautioned, however, that everyone involved would have to execute the proposals with sincerity.

He said the South African Government assumed that no qualifications of any nature—direct or by implication—would be added to the written proposals.

"The security of the territory in no way becomes involved. No reduction in the number of troops is foreseen unless and until a situation of complete peace has come about and is maintained," he said.

"During the interim period, South Africa remains responsible through the Administrator-General for the administration of the territory, the maintenance of peace, order and security, and the South African police continue with their normal duties."

Political leaders in South Africa and Namibia have welcomed the agreement announced on Wednesday—but to their hopes for peace, they added caution about the still-unknown details of the deal struck between the Western powers and SWAPO.

In Windhoek, leaders of the Democratic Turnhalle Alliance (DTA) and the National Party Election Alliance (AKTUR) expressed no surprise.

DTA chairman, Mr. Dirk Mudge, and the Aktur leader, Mr. A. H. Du Plessis, said they had expected immense pressure to be exerted on SWAPO in Luanda.

Mr. Du Plessis said it was not yet clear whether new conditions were attached to SWAPO's acceptance. "What will surprise me, indeed, is if SWAPO did in fact accept the proposals without any preconditions, and in the form South Africa has accepted them," he said.

In Cape Town the Leader of the Opposition, the Progressive Federal Party leader, Mr. Colin Eglin, voiced similar reservations.

"Provided no new terms have been introduced, it paves the *way for the most important goal* of all—internationally recognised independence for South West Africa and peace for southern Africa," he said.

● In a surprise move, the South African-appointed administrator-general, Mr. Justice M. T. Steyn, today served an expulsion order on the vicar-general of the Anglican church in Namibia, Mr. Ed Morrow, his wife, Lauree, and a Roman Catholic priest, Father Heinz Hunke. They have been given seven days to leave.

Mr. Morrow is the third Anglican cleric to be expelled from the territory in six years. Earlier this week, the diocese of Damaraland called for the immediate withdrawal of South African authorities from Namibia.

New bid to end sanctions

SALISBURY, July 14.

BLACK NATIONALIST leader Bishop Abel Muzorewa left for the United States today to lobby on behalf of the transitional Government for the lifting of trade sanctions against Rhodesia, a Government spokesman said.

The American Senate is expected to debate the sanctions again next week. A motion calling for their removal was recently defeated in the Senate by 48 votes to 42.

Republican Senator Jesse Helms, who is pressing on with a Bill aimed at lifting the UN-imposed embargo, invited the bishop to the United States to help press the case, a Rhodesian Foreign Ministry spokesman said.

Bishop Muzorewa is expected to argue that the Salisbury agreement of March 3, which set up the coalition transitional Government, provided for black-majority rule on December 31 and that there was therefore no need for sanctions to continue.

The March 3 accord, signed by Bishop Muzorewa, Mr. Ian Smith, the Prime Minister, and two other nationalist leaders, is opposed by the Patriotic Front guerrillas.

Concession to foreign investors

By Our Own Correspondent

JOHANNESBURG, July 14.

SENATOR Owen Horwood, the South African Minister of Finance, has announced that the Government is to investigate obstacles facing foreign investors in South Africa in an effort to abolish what Mr. Horwood said were "unnecessary restrictions."

The Minister said that "the reasons for some of the existing restrictions are today less valid than before and can fruitfully be adapted. We must not keep (investment) capital out through restrictions, but rather encourage it with concessions."

There is speculation that the Commission of Inquiry which is studying South Africa's monetary and exchange rate policies under the Chairmanship of Mr. Horwood's special economic adviser, Dr. Gerhard de Kock, may propose greater freedom for overseas companies and non-resident individuals to move capital in and out of South Africa. The restrictions on overseas' companies ability to borrow on domestic markets may also be eased.

The Commission is expected to recommend that South African foreign exchange dealings and rates become more market-related than is now the case.

South Africa already has an effective "two-tier" Rand market through the official commercial rate and the floating securities Rand market.

It is known that Dr. de Kock visited the New York and London foreign exchange markets recently.

Emminger welcomes currency proposals

By Jonathan Carr

BONN, July 14

DR. OTMAR EMMINGER, pr[esi]dent of the Bundesbank, [...] welcomed the aim of establi[sh]ing *a wider zone of currency* [sta]bility in Europe—but stres[sed] the need to get the rules for [the] new system right and then st[ick] to them.

In an interview with the W[est] German economic news agen[cy] VWD, Dr. Emminger made cl[ear] that several important aspects [of] the new system remain to [be] settled. They include the ex[act] amount of national reserves to [be] put into a common Europe[an] pool, the degree to which pa[r]ticipating currencies would [be] allowed to fluctuate and the yar[d]stick against which fluctuati[on] would be measured.

Dr. Emminger's detailed com[ments] are the first he has ma[de] in public on the proposed ne[w] system since European Co[m]munity leaders agreed on guid[e]lines for it in Bremen last wee[k]. Since then, there has been wid[e]spread criticism here that t[he] plan involves a risk of more infl[a]tion—in West Germany above a[ll].

Asked whether he felt this w[as] true, Dr. Emminger replie[d]: "Only if the rules—which mu[st] exist in such a system—are n[ot] correctly observed. For exampl[e] if a country artificially tries wit[h] the aid of substantial credit t[o] maintain an exchange rate whic[h] has been made unrealistic b[y] domestic inflation.

"Therefore, it is important tha[t] all participating States are full[y] in agreement on the rules fro[m] the start and that the source[s] of credit are not too generousl[y] apportioned—otherwise th[e] threat to stability is too great."

Mr. Emminger said it had ye[t] to be decided whether the basi[s] of the new system would be even narrower fluctuation margins than those permitted in the "snake" (plus or minus 2.25 per cent) or whether the fluctuation should be measured against the new European unit of account.

UK-Spanish talks planned on Gibraltar

A first meeting of the joint Anglo-Spanish working groups on Gibraltar will take place at the Foreign and Commonwealth Office in London on Monday, writes our *Gibraltar correspondent*. The groups are the outcome of talks in Paris last March between the Foreign Secretary, Dr. David Owen and the Spanish Foreign Minister Sr. Marcellino Oreja—with Gibraltar represented by the Chief Minister and the Leader of the Opposition.

A Government statement in Gibraltar said that, as always foreseen since the Paris talks, the subjects to be discussed were maritime communications, telecommunications, and social security pensions of former Spanish workers employed in Gibraltar before the frontier closure in 1969.

Police face discipline

Stern disciplinary measures are expected to be taken against over 50 riot policemen, including a lieutenant and two sergeants, who on Thursday ransacked the Basque town of Renteria, writes Jimmy Burns from Madrid.

The policemen have been confined to barracks pending a full investigation into the attack, which led to the looting of shops and an unprovoked tear gas assault on private houses.

Aero engines

The British Government appears to have decided to do what it can to facilitate the despatch of the four Rolls-Royce aero engines belonging to the Chilean air force, writes Hugh O'Shaughnessy. The engines were overhauled at the company's East Kilbride works in 1975 but their despatch has been blocked by the opposition of union members to the Chilean military junta.

Threat to Eritreans

The Ethiopian Embassy in Nairobi said yesterday that Ethiopia had no alternative but to crush the rebellion in Eritrea, because the secessionists had rejected all offers of a peaceful settlement, writes our Nairobi correspondent. The Embassy statement follows rebel reports of a full-scale Ethiopian offensive, using troops, aircraft and ships.

Strike leaves tourists to wander hungry about Rome

BY DOMINICK J. COYLE ROME, July 14.

A FIFTY-FOUR PER CENT jump in Italian tourist receipts last year was largely responsible for the country's relatively massive overall payments surplus (approx. $US3bn) in 1977, but you would never suspect this here today as thousands of tourists scoured the city for some place in which to eat.

For 24 hours at least, and for the second Friday running, Rome's main hotels and restaurants are closed, shut down by a nationwide strike of tourist industry employees pressing for some concrete negotiations on their new labour contract. A similar prospect is in view for next Friday.

Everybody is very sad about the whole situation. Hotel managers, many of whom were this morning pressed into the unaccustomed task of making up guests' bedrooms, shrugged their shoulders in that only too Italian way, seemingly intent on explaining that employees and their trade unions can not recognise golden geese that lay golden eggs, but hastening to add that all would be back to normal tomorrow.

And so, of course, it will be, although front-office cashiers will then face the problem of dealing with understandably irate guests seeking some reduction from their weekly tariffs. Drinks on the house, in retrospect, can take some of the sting out of the misery, but Rome is particularly hot just now, and tourists standing on street corners armed with city maps, and pressing their requests on passers-by for guidance to the location of a nearby family (i.e., non-unionised) hostelry, were getting little joy from the natives.

Romans are no fools, and directing unfortunate locked-out tourists to the relatively few non-union watering holes in the city centre is a guarantee that their own dining pleasures would be disturbed. My own luncheon retreat was packed to waiting point today long before the customary eating hour, another loss to Italian productivity about which senior treasury experts were talking earlier in the week with visiting teams from both the International Monetary Fund and the European Economic Community. In both cases, Italy is seeking additional standby facilities.

Sig. Vincenzo Scotti, the bright young Neapolitan, who is now Minister of Labour, is anxious to mediate in the present dispute but, with his cabinet colleague, Sig. Vittorino Colombo, the Transport Minister, he has been burning the midnight oil in trying—successfully, the tourists will be pleased to hear—to persuade other trade unions to call off a four-day railway stoppage scheduled originally to commence on Sunday.

Italy, with a total population of close on 45 million, attracted some 30 million visitors last year who spent an estimated $3.8bn or getting on for $99 per capita. Some tourists may think it an ungrateful response on the part of Italians to refuse them food. They, or more likely their successors here next month, might be even more concerned to know that the Roman authorities have thus far had little success in agreeing with shopkeepers on a staggering of closing hours, and in many cases of actual holidays, during August, in order to ensure that the arriving tourists have some place in which to spend their money.

Still, given the present climate, food and cool drinks are even more important, and certainly better than eating sandwiches on the Spanish Steps—if, that is, you can get the sandwiches. Today even they were is short supply and, in some enterprising family establishments, were at a premium.

IOME NEWS

ßurmah)il claim earing ext week

MARGARET REID

AH OIL'S application for rt order compelling the of England to disclose 62 ents it considers important 1500m action against the will now be heard next iy, a day later than ed.

case is expected to be Mr. Justice Slade in the ery Division of the High

Treasury has claimed 'n privilege" for the Bank, :e body, to withhold the ents on the ground that production would be against blic interest.

owing Burmah's financial at the end of 1974, the Bank d in with support and ulti- bought Burmah's 20 per shareholding in British eum.

shares are now worth £500m more than the sed market price at which nk purchased them in early Burmah is suing for the of the shares at the price ich the Bank took them plus dividends.

t week's case about the ents, which Burmah feels be important to its action, pected to begin in open when the judge will hear ents on the legal aspects of atter.

expected that he will then n to consider the docu- in private.

Building society net receipts fall sharply

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE SQUEEZE on building society funds was confirmed yesterday with figures showing that the level of net receipts in June fell to the lowest point for 18 months.

The Building Societies Association said that net receipts last month dropped to only £147m, against £212m in May. In June 1977, they totalled £304m and at one stage towards the end of last year nearly touched £600m.

The societies are not expecting this month to be any better. Some early estimates suggesting that net receipts could fall to below £100m, in spite of the July increase in building society interest rates. Withdrawals to finance holiday expenditure and competition from National Savings are behind the gloomy forecasts.

But in spite of the comparatively low intake of new funds from the public and recent restrictions on lending imposed by the Government, the societies have managed to maintain a historically high mortgage advance programme. Yesterday's figures from the association showed how the societies' liquid funds were, as a result, being eroded.

At the end of June, the societies' ratio of liquid funds to assets stood at just under 19 per cent, representing a cash reduction of £900m since the end of February.

Now that the restrictions on mortgage lending are being lifted and the societies have shown their intention of returning to a higher level of advances, liquidity levels can be expected to drop further to help finance advances.

This process cannot be pursued for too long, however, and lending may eventually have to be slimmed down beneath the targets which societies would ideally like to meet. Further increases in their interest rates are ruled out in what could be a pre-election period.

Hint of support for coal

BY JOHN LLOYD

MR. ANTHONY WEDGWOOD BENN, Energy Secretary, gave a strong hint yesterday of government support for the coal industry in the dispute between the National Coal Board (NCB) and Central Electricity Generating Board (CEGB) on coal's future as fuel for UK power stations.

Mr. Benn met Mr. Glyn England, CEGB chairman, and Sir Derek Ezra, chairman of the NCB, to seek a resolution to the organisation's conflict of interest.

The CEGB has made clear that it sees a reduced future for coal in its power stations. The NCB faces difficulty in selling its coal in the immediate future.

Mr. Benn, speaking to Durham mining mechanics yesterday, said there was no point in discovering new reserves of coal and investing in its exploitation if it could not be used.

"In the short term we must make the greatest possible use of our indigenous energy resources. This is why I have begun an urgent examination of the potential for burning additional quantities of coal in power stations to displace imports of oil and imports of coal. And that makes sense for all of us and we are determined to press ahead."

Mr. Benn said he hoped the mining industry, and British energy policy generally, would be discussed in the campaign for the forthcoming general election.

"Britain is now becoming entirely self-sufficient in energy and achieving an integrated energy policy, a national fuel policy, which the National Union of Mineworkers has long advocated.

Tories block 'Grunwick Bills'

JOHN HUNT, PARLIAMENTARY CORRESPONDENT

E PRIVATE Members' ut forward by Labour MPs re greater protection to rs in the wake of the Grun- dispute were blocked by the in the Commons yesterday. hey have almost no chance oming law.

ilar treatment was meted the Estate Agents' Bill, red by Mr. Bryan Davies Enfield North), which to give greater legal pro- to home buyers.

as the last day set aside for members' business before ment rises for the summer at the end of this month rly August. Even if the nment wanted to sponsor the Bills, there would not be adequate time left for consideration.

One of the most important measures to be blocked was the Post Office Workers' (Industrial Action) Bill, presented by Mr. Norman Buchan (Lab, Renfrew West) and a wide spectrum of Labour back-benchers.

Its intention was to clear up what Labour MPs believe to be the anomalous position of Post Office workers' not having the legal right to strike. It stipulated that they would not commit any offence under the Post Office Act of 1953 by taking industrial action, if it was in furtherance of a trade dispute to which the Post Office was a party.

It was introduced because of the row over the Post Office workers who refused to handle mail for Grunwick's.

Another measure was the Employment Protection (Amendment) Bill, put forward by Mr. Ian Mikardo, the Left-wing Labour MP for Bethnal Green and Bow. This would give workers the right to claim for unfair dismissal when they are sacked during union-recognition disputes.

There was also the Employment Protection Bill of Mr. Ted Fletcher (Lab., Darlington), chairman of the Left-wing Tribune Group. Its main effect would have been to prevent a court's overturning a ruling of ACAS in a union-recognition dispute, which happened in the case of Grunwick.

The Estate Agents' Bill was in a different category from the others. It received considerable support from Tory MPs and had the backing of the National Association of Estate Agents, the Royal Institute of Chartered Surveyors and the Incorporated Society of Valuers and Auctioneers.

But, a minority of Conservative MPs blocked it yesterday on the grounds that it gave the director-general of fair trading too much power.

European digger line for Scotland

By Our Glasgow Correspondent

GENERAL MOTORS is transferring production of part of its Terex range of heavy earth-moving equipment from Luxembourg to its Newhouse factory in Scotland.

The move will concentrate European Terex production in Scotland. It might mean 300 more jobs at Newhouse, Strathclyde, which employs more than 1,100.

The company said yesterday it wanted to rationalise production of diggers and loaders in one plant instead of splitting output between two countries.

The decision was welcomed by Mr. Gregor Mackenzie, Minister of State for Scotland, who said he was sure it reflected the company's satisfaction with its Scottish plant's productivity and quality of output.

The Luxembourg factory will not close but will concentrate on other sectors of the company's heavy industrial plant range.

Beef price rise fails to deter shoppers

By Our Commodities Staff

CONSUMPTION OF beef rose almost 6 per cent in the first three months of this year. Shoppers were apparently undeterred by a 14 per cent increase in prices for best cuts.

The meat industry's information service reported yesterday that while beef eating went up, consumption of pork dropped 7 per cent and buyers spent 9 per cent more on the smaller quantity.

Spending on lamb also rose 10 per cent, but consumption was only 1 per cent higher than in the comparable part of last year.

Figures published weekly by the Meat and Livestock Commission show that average retail prices of beef steaks have now risen 20 per cent since the start of the year. Cheaper beef, such as mince, is only 10 per cent dearer.

The average price of rump steak, for example, was £1.61 a pound at the start of the year. It is now £1.93.

Peak fluorspar mining plan turned down

BY PAUL CHEESERIGHT

THE PEAK Park joint planning board yesterday refused to grant permission to Dresser Minerals International for the mining of fluorspar at Conksbury Lane, Youlgreave, Derbyshire.

The refusal again throws into relief the problems of reconciling a national industrial policy, based on developing indigenous resources to the fullest extent and the demands of maintaining national parks as recreational reserves.

Mindful that Mr. Peter Shore, Environment Secretary, recently overruled its objections to Imperial Chemical Industries quarrying limestone near Buxton, also in the Peak Park, the board has decided to seek an appointment with him in order to gain clarification of the Government's stand.

The immediate effect of the refusal is that Dresser, subsidiary of a Texas group, will appeal to Mr. Shore, thus opening the way to extensive debate and a public inquiry. Dresser has made it clear that the Peak Park reserves it wishes to mine are important for the development of its business.

Dresser has invested about £4m in taking over a fluorspar mine and plant at Hopton, about six miles from Youlgreave. The land it wishes to mine now was covered partly by a planning permission granted to an Italian company which once had owned the Hopton works.

In its consideration of the application, the planning Board was less concerned about the immediate commercial repercussions for Dresser than about the long-term effects on the national park.

Its refusal was based on an assessment that Dresser had not provided sufficient information about its plans for the restoration of the mining site after exploitation.

Although Dresser has advanced restoration plans, the planning Board considered that details were not certain enough. What it would have liked was the imposition of a bond on Dresser so that it could have been assured of restoration.

But the whole concept of bonds is rejected not only by Dresser but the whole UK mining industry.

UK's plastic products exports 'are lagging'

BY SUE CAMERON

THE UK PLASTIC products industry is far behind its chief European competitors in the world market, according to a paper yesterday by the Plastics Processing Sector Working Party.

The paper, based on a report by the National Economic Development Office, says Britain's 5 per cent to 6 per cent share of the world plastic product market is less than a quarter of that achieved by West Germany and only half that of France and Italy. It adds that the UK exports mainly to developing countries while France and West Germany concentrate on the more sophisticated markets of industrialised Europe.

The working party, says the UK's poor export performance comes at a time when UK output of plastic products is rising rapidly. By the end of 1977 output in real terms was 50 per cent higher than in 1970. Yet the working party is convinced that even in the home market many companies are failing to take full advantage of openings.

The paper says the home industry has some way to go in convincing UK customers of the full merits of plastics products and components. Although import penetration is low, it fears a much larger-scale attack on the UK market from abroad.

The working party has commissioned a discussion document on weaknesses of plastics processing in the UK, which is being sent to all those in the industry. It says more attention needs to be paid to design so as to make plastics more acceptable to the consumer.

Housing chief attacks architects

By Michael Cassell, Building Correspondent

A SCATHING attack on the architectural profession was made yesterday by Mr. George Tremlett, leader of the Greater London Council's housing policy committee.

He told the annual conference of the Royal Institute of British Architects in Liverpool that architects had "debased London in recent years and in the process have debased themselves."

Architecture, he claimed, had been devalued and standards had fallen. In particular, he criticised municipal architects and said they were "held in contempt" by politicians of all parties because of the damage they had inflicted on urban communities.

Mr. Tremlett acknowledged that he was making serious charges but insisted that the decline in standards of the architectural profession was "a tragedy of enormous proportions."

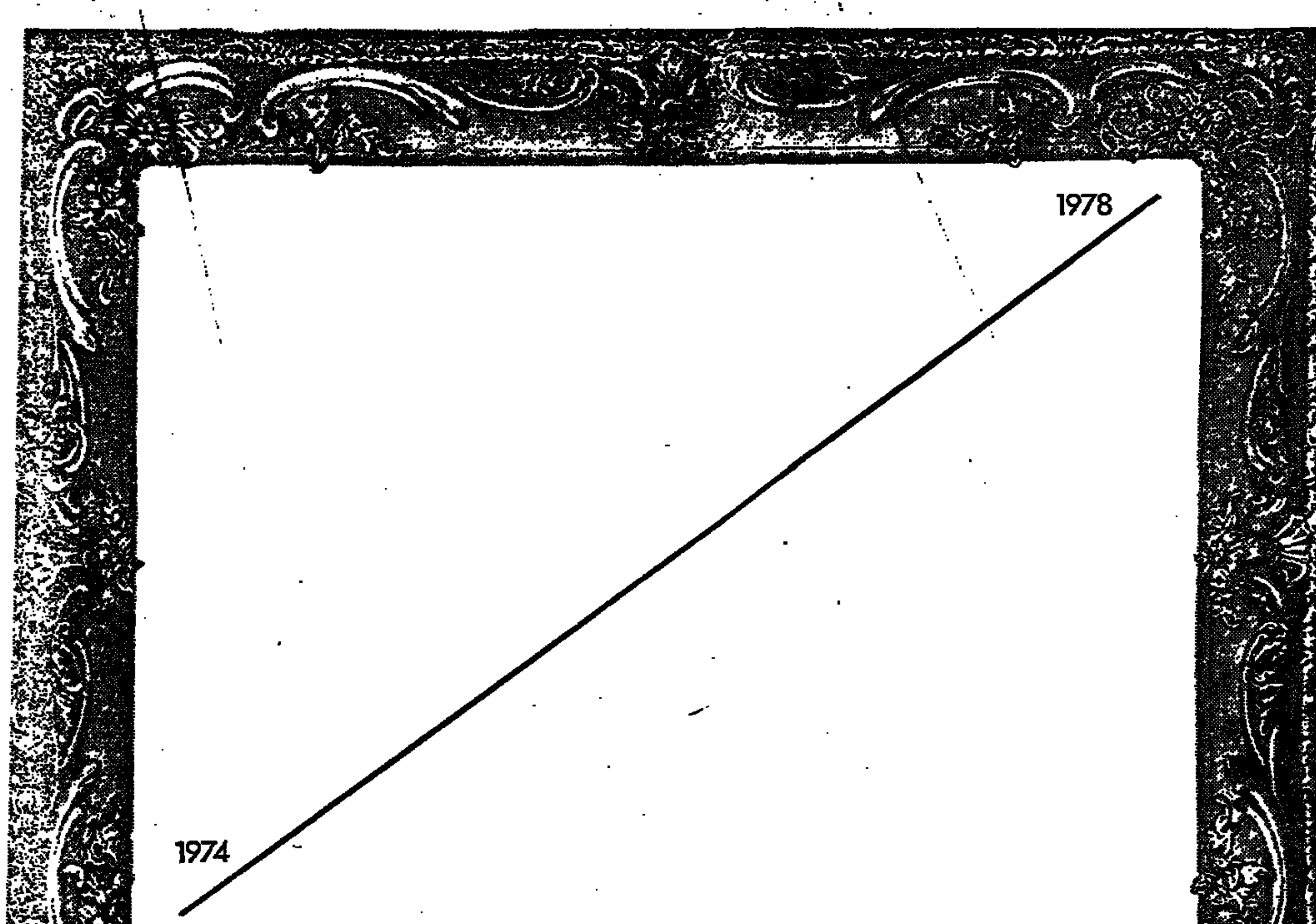
He charged architects with failing to resist moves towards high-rise developments and styles of building "almost unspeakable in their ghastliness." As artists, Mr. Tremlett added, architects should have prevented schemes which were clearly damaging to the environment.

Intolerable

Architects, he claimed, had designed housing estates where life had become intolerable, where services would not call, and where people were constantly terrorised. Large blocks of flats had been vandalised and their basements had become "haunts for thieves, drunks and dossers."

Mr. Tremlett said that the GLC had built 320 tower blocks during the 1960s and early 1970s and now about 80,000 people were trapped in them, "many desperately anxious to escape, imprisoned by municipal vandalism." Politicians, too, had to bear a share of the blame, but architects had helped destroy communities, he claimed.

"If an architect comes to us now with a bad scheme we shall send him away with a flea in his ear. We have already done this and if the GLC architects do not like it they can go away and find somewhere else, to work."



Ministers and MPs to have 10% rise

By Philip Rawstorne

MINISTERS and MPs are to get a 10 per cent pay rise, it was announced yesterday.

It will be the first pay increase for Ministers since 1872 and will leave their salary levels well below the figures recommended three years ago by the top salaries review committee.

Mr. James Callaghan's salary as Prime Minister will go up from £20,000 a year to £22,000.

Under the Order in Council, Mrs. Margaret Thatcher's pay as Leader of the Opposition will be raised from £9,500 to £10,450.

Lord Elwyn-Jones, the Lord Chancellor, will remain the *highest paid member of the* Government with a salary of £22,228 a year. Mr. Sam Silkin, the Attorney General, will get £15,950 and Lord Peart, Lord Privy Seal *and* Leader *of* the Lords, £14,528.

Other Cabinet Ministers will be paid £14,300 a year; the Solicitor-General and the Lord Advocate £12,100; and senior Ministers outside the Cabinet and Ministers of State will be paid between £8,250 and £10,450.

Allowances

Parliamentary secretaries, the most junior ministerial rank, will be paid £6,050 and Government and Opposition whips £4,400.

In addition to their ministerial salaries, Cabinet Ministers will receive £3,529 of their MP's pay. Other Ministers will get £4,299 and whips £4,642.

A Commons motion tabled yesterday will increase the salary of a backbench MP to £6,897 a year. Secretarial allowances will also be raised by 10 per cent.

All the increases will be effective from June 30.

Injunctions continued

COURT ORDERS made 10 days ago against Mr. Per Hegard, a former aide of Mr. Teddy Smith, a financier, and Mr. Hegard's company, Seton Securities, were continued by a High Court judge yesterday.

On July 4, Mr. Justice Browne-Wilkinson granted Mr. Smith temporary injunctions preventing Mr. Hegard, of Fairmile Avenue, Cobham, Surrey, and his company and its subsidiaries from dealing in the assets of, or contracting debts in the name of, the A. T. Smith Organisation or Land Value, otherwise than in the ordinary course of business.

The judge yesterday refused Mr. Hegard's application to lift the ban. He did, however, agree that the ban should not apply to one Seton subsidiary, Derritron, because there was evidence that the injunctions were causing practical harm.

Parents 'need voice in new 16-plus exams system'

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

EMPLOYERS and parents should have a say in the control of a new single system of 16-plus examinations in England and Wales, the Government was told by an official report published yesterday.

But it would be at least 1985 before schoolchildren could sit the new exam, said the committee under Sir James Waddell, former deputy secretary at the Home Office.

It had made a 16-month study of the possibility of replacing the present dual system of GCE Ordinary levels and the Certificate of Secondary Education.

Mrs. Shirley Williams, Secretary for Education and Science, is in favour of the Waddell Committee's proposals. She will not, however, put the new *development into force* unless it is backed by the educational interest groups affected.

The committee was formed to "look again" at the proposals for a single 16-plus system recommended to the Government two years ago by the Schools Council.

The Waddell Report concludes that a common system is both feasible and desirable, but that the new exams should not be under the control of teacher interests, as the Schools Council proposed.

"Instead there should be a representation of the appropriate interests without any one of these having a majority voice," the report said.

They should include employers' and parents' representatives as well as those of schoolteachers, higher and further educational institutions, and local and central government.

A variety of exams and syllabuses should be offered by a number of different boards, possibly four in England and another in Wales, with schools being allowed to choose between them.

The new boards would be composed of groupings drawn from the eight GCE and 14 CSE examining bodies, with at least one GCE and one CSE body represented in each of the groups.

Although most candidates would enter in a number of subjects, the exam could be taken—and a certificate awarded—in only a single subject.

There would be no official distinction between pass and fail. Instead the great majority of candidates would be graded in each subject entered on a seven-point scale. Only an exceptionally poor performance would be left ungraded.

The grades would be based on *the notion that only the most* academically able three fifths of the 16-plus age group would be entered for the exam.

As a result, in subjects which attract a mass entry, grade three or better—corresponding to the old Ordinary-level pass—would be awarded to about three in every five entrants. Grade six or better — corresponding to the CSE grade four or above—would be awarded to about five in every six entrants.

Since subjects such as art will continue to attract a far wider range of entrants than studies such as physics and French, a given grade will continue to be easier to attain in some subjects than in others.

While a single paper could be devised for all candidates in some subjects—for example, *biology*—in others such as mathematics there would be different questions or papers for entrants of greater and less academic ability.

School Examinations. Cmnd 7281-I (main report) Cmnd 7281-II (supporting documents); SO; £1.15 and £3.15.

● NEWS ANALYSIS — JAPANESE VEHICLE DEALERS

The curious case of Colt Cars

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

IN THE bizarre history of the Japanese invasion of the UK car market there have been few incidents as odd as Colt Cars' announcement that it aims to substantially strengthen its dealer network in the next few months.

The Colt statement runs completely counter to the general understanding of the current Japanese position. Sales of Japanese cars in the UK are coming gradually under a form of external control by the Government-backed agreement to limit shipments from Japan.

Because of this, all the other importers are either actively trimming their sales networks or anxiously watching for defections. Yet Colt is planning an expansion.

No clarification of its position was available yesterday from the Cirencester-based company. Yet in the short term it is difficult to see how Colt could support an expansion of its franchise.

The company sold 6,817 cars in the UK last year, and will be limited to something around that figure in shipments this year. But in the first six months of the year it registered 5,268 cars, leaving it with very little product to market in the latter half of the year to keep cash flowing through the dealership. On the face of it, this is no position from which to launch an expansion.

In the statement, Mr. Michael Orr, the managing director of Colt, indicated that the company was planning *for the day when the present agreement in limitations* ended. The company wanted to grow in line with the growth of its vehicle supplier, Mitsubishi Motors, he said.

This argument, however, is highly suspect, given the fact that the U.K. Government is expected to seek further restrictions next year. Virtually all the other Japanese importers are digging in for a longish period of sales limitations: Toyota, for example, has cut back its dealer network from 280 to 240 outlets, and Honda is rationalising steadily as part of an up-grading exercise with its distributors.

These inconsistencies only serve to underline the point that Colt, along with Mitsubishi, which has a 49 per cent stake in the British company, are real mavericks in the Japanese camp.

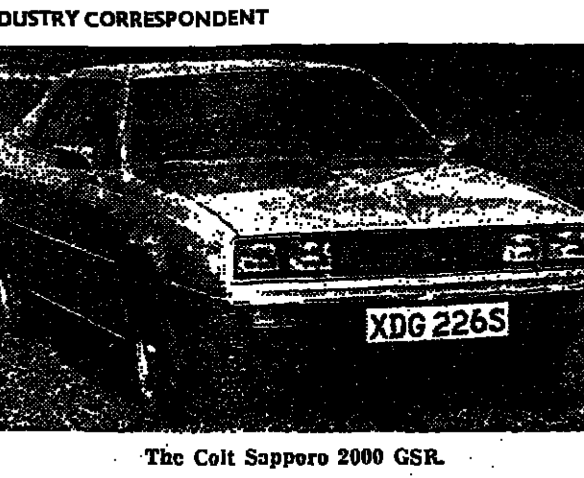
Mr. Orr, a self-made entrepreneur in his early 30s, likes to speak his mind and go his own way. Similarly, Mitsubishi is a relative newcomer to the big league of Japanese car manufacturers which refuses to be awed into silence by the big two, Toyota and Nissan.

Indeed, a few months ago senior executives at Mitsubishi openly criticised their larger competitors for not giving ground in the U.K. in order to allow them to grow within the overall limitation on Japanese sales.

In the longer term, the *latest* incident will simply increase speculation about Mitsubishi's overall intentions in the car industry.

It has become clear in the last few years that it is rapidly becoming a growing force in the Japanese industry, with a capacity already approaching *800,000 units (more than BL produced last year)*, and a range of more sophisticated vehicles coming through its factories.

The other intriguing factor about Mitsubishi is that it is linked with Chrysler through a 15 per cent stake held by the U.S. multinational. So wherever the *two exist side-by-side, as in* Britain, speculation about their relationship inevitably follows.



The Colt Sapporo 2000 GSR.

In the UK, for example, there are many who believe that Chrysler might eventually do a deal to distribute the Mitsubishi product and stop up the gaps in its own product range.

Indeed, about 18 months ago there was a great deal of speculation about the possibility of a Mitsubishi assembly operation in Europe linked to the Chrysler organisation.

This possibility was scotched in its early stages, and Chrysler lost the opportunity about three years ago of distributing *Mitsubishi cars by simply not* taking up the option to do so which was contained in its original agreement with the Japanese company.

To emphasise its independence, Colt has now confirmed that it is actively discussing the possibility of assembling *Mitsubishi's heavier range of* vehicles in the UK, quite separately from anything Chrysler might be planning.

Yet it remains true that the two companies are extremely close. This week, for example, Mr. Don Lander, the former head of Chrysler UK who is now in charge of Chrysler's international operations, has been in Japan talking to Mitsubishi.

It is quite possible that this has nothing to do with the *British situation* of the two companies. But so long as Chrysler UK continues to bump along among the also-rans of the UK market, and so long as Colt and *Mitsubishi continue to press* aggressively ahead, people will continue to speculate about a readjustment of their relationship.

BL man 'haunted by corruption belief'

THE FORMER British Leyland executive charged in the "Ryder letter" forgery trial at the Old Bailey—was haunted by the belief he had uncovered corruption in the giant car company, a witness said yesterday.

Freelance journalist Mr. Nicholas Guitard agreed with defence counsel Mr. William Howard, QC, that the situation "preyed on the mind" of Graham Barton, 34.

Mr. Guitard, of Camden, London, had earlier told the jury that he acted as "go between" when Barton sold his story to the Daily Mail last year for £15,000.

Barton and his Turkish-born wife Fatima, 32, between them deny a total of five charges arising from the *alleged forging* of copies of two documents purporting to be letters to British Leyland and dishonestly obtaining £15,000 from the newspaper by falsely pretending the copies *were of genuine letters.*

One of the letters purported to be from Lord Ryder, former chairman of the National Enterprise Board, and the other from the Bank of England.

Mr. Henry Pownall, prosecuting, has told the jury the forgeries apparently refer to irregular payments made by British Leyland and supported Mr. Barton's allegation of corruption.

The Bartons deny forging a document purporting to be a true copy of a letter from Lord Ryder to British Leyland, and with uttering the document knowing it to be forged and with intent to defraud. Mr. Barton denies two similar charges in *relation to an allegedly forged* copy of the letter from the Bank of England and both deny dishonestly obtaining £15,000 from Mr. Stewart Steven, Associate Editor of the Daily Mail.

£1 coins struck for Isle of Man

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

THE FIRST £1 coins to circulate within the British Isles since the outbreak of the first world war were struck by Pobjoy Mint for the Isle of Man Government yesterday.

The coins, slightly larger than the present 1p piece, will be delivered to the head offices of banks in Douglas on Monday and should be in general circulation by Wednesday.

The new £1—nicknamed the round pound on the island—will not replace the Manx £1 note, but will be used alongside it in the same way as the authorities circulate both the 50p piece and note.

Because Isle of Man coins and notes are not legal tender in the UK the coin, made from a new *metal, Virenium, will not* be seen officially outside the island. However, there is an active trade in the present Manx issue of coins and many will find their *way into the hands of collectors* and others will be brought home by holidaymakers.

There are at present about 6.5m bank notes in circulation in the Isle of Man, of which just under a half are thought to be £1 notes. It is expected that about 20,000 coins will be issued at first so that even on the island the coin will have a certain rarity value.

Mr. Percy Radcliffe, chairman of the Isle of Man Board of Finance, said at the Pobjoy Mint in Sutton, London, yesterday that the cost of printing notes had been one of the factors in the decision to mint a coin.

Both the £1 note and the new coin cost about 10p to produce but while the note has a life of only about three months, the coin is expected to circulate for up to 30 years.

Mr. Derek Pobjoy, chairman of the Mint, said: "We have been looking for a cheaper metal than cupro-nickel and so developed Virenium for this coin, which is *basically* steel coated with nickel. Because of its properties we have put the counterfeiter out of business."

The gold sovereign was the *last £1 coin to circulate in* Britain. It was withdrawn in 1914 on the weekend war broke out and replaced by Treasury notes. The Bank of England took over responsibility for note production in 1928.

Two soap companies face Price Commission probe

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE PRICE COMMISSION is to extend its investigation of the soap market by examining price *increases proposed by Procter* and Gamble and those notified by Unilever.

The two companies together dominate the soap and detergent market and have already been examined by the Monopolies Commission.

This is the first time that the Price Commission has examined two companies in the same market simultaneously. Both inquiries will concentrate on the temporary discounts offered by soap manufacturers to retailers to boost sales.

The Unilever inquiry was triggered two weeks ago by the company's proposal for average price rises of 4.8 per cent on a range of products, including *Persil and Sunlight washing up* liquid.

Shortly after Unilever informed the commission of its plans Procter and Gamble gave *notice of a slightly larger* increase—5.5 per cent—on a similar range of brands, including Tide, Daz, Ariel and Dreft.

The commission announced *yesterday that it would investigate* the Procter and Gamble notification too.

As with the Unilever reference, the commission is particularly *interested in the way in which* temporary price reductions were applied in this market.

These price cuts are seen in the shops in packs flashed with *their* special price or with coupons offering price reductions on subsequent purchases. The promotional price can be up to 20 per cent. less than the normal *price.*

The Price Commission seems to take the view that it might not be necessary to raise the basic price of detergents if the soap *companies were to stop offering* such big promotional discounts.

In spite of the inquiry decision, Unilever was able to raise its prices by the full 4.8 per cent. *notified because of the profit* safeguards in the controls.

Visible trade deficit narrows to £136m for quarter

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE VISIBLE trade deficit narrowed sharply to £136m. during the second quarter from the erratically high figures of £574m in the previous three *months.*

This reflected favourable movement of £200m. in the balance of erratic items, notably precious stones and ships, together with a reduction of about £220m in the deficit in trade on oil.

The impact of the decline in the pound in the early spring was shown by movements in the *terms of trade index*—the ratio of export to import prices. This declined by ½ per cent between the quarters following a 2¼ per cent rise in export unit values and a 3¼ per cent increase in import unit values.

BALANCE OF TRADE

		Exports (£m seasonally adjusted)	Imports (£m seasonally adjusted)	Exports (Volume seasonally adjusted 1975=100)	Imports (Volume seasonally adjusted 1975=100)	Terms of trade *Unadjusted 1975=100	Oil balance £m
1976		25,422	28,932	109.9	105.5	98.9	−3,973
1977		32,176	33,788	118.9	107.0	100.7	−2,804
1976	1st	5,655	6,198	106.2	100.3	99.8	−947
	2nd	6,171	7,080	109.9	106.0	97.9	−968
	3rd	6,499	7,596	110.0	108.3	98.7	−1,058
	4th	7,097	8,058	113.5	107.3	97.3	−1,000
1977	1st	7,502	8,449	115.7	109.1	99.0	−800
	2nd	7,930	8,694	118.0	109.8	100.3	−745
	3rd	8,540	8,486	124.1	106.4	101.0	−602
	4th	8,204	8,159	117.9	102.6	102.4	−657
1978	1st	8,441	9,015	120.3	114.3	105.1	−646
	2nd	8,803	8,939	122.8	110.2	104.4	−423
1978	Jan.	2,623	2,961	112.2	114.6	105.5	−234
	Feb.	2,989	2,946	127.4	111.3	104.8	−203
	March	2,829	3,108	121.4	116.9	104.8	−209
	April	3,000	2,812	126.1	104.3	104.0	−151
	May	2,877	3,095	120.1	114.3	105.1	−156
	June	2,926	3,032	122.1	112.0	104.1	−117

* The ratio of export prices to import prices

Source: Department of Trade

Thatcher in bid to soothe immigrants

MRS. MARGARET THATCHER last night made a determined *bid to regain Tory support* among the immigrant groups.

Opposition from the immigrant communities has increased markedly since the Conservatives revised *their policeis* on immigration, and could be a significant factor in some 20 marginal seats in a general election.

Mrs. Thatcher *said last night* that the "doubt and alarm" among the minority groups had been spread by "malicious distortion" of Conservative attitudes.

She told the Anglo-Asian Conservative Society in Barnet that the party's aim in controlling immigration was to end the *constant preoccupation with* the issue and the worries that people had about it.

"Then it is our hope that those who have come here in the post-war years will no longer be labelled immigrants, but have their full place as British citizens with the same rights and responsibilities to our country as the rest of us."

Mrs. Thatcher emphasised that the Conservatives would never tolerate any policy of compulsory repatriation. "We applaud the great efforts made by many of *those who have settled in* Britain in recent years. They are now full British citizens whose permanent home is here."

She promised that a Conservative government would invoke the full force of the law to end the present wave of brutal attacks by young thugs on minority communities in some cities.

Mrs. Thatcher promised: "We will seek to promote harmony between all our people wherever they come from."

She emphasised: "A party with our record *and our beliefs could* only be implacably opposed to the National Front and any other group in our society which seeks to stir up racial hatred."

Stelrad plans £10m. expansion

By Kenneth Gooding, Industrial Correspondent

METAL BOX'S subsidiary Stelrad, the world's biggest producer *of domestic central* heating boilers and radiators, is spending more than £10m on an expansion programme.

Metal Box acquired Stelrad in 1973 *for* £21.5m and paid a further £6.7m for Ideal Standard's central heating interests in the UK, Austria and the Benelux countries two years ago.

At the end of the project, late in 1979, Stelrad will have two of the most modern foundries in the world at Mexborough and Hull, *will have* doubled production at its radiator plant at Verwood and have a new radiator factory on part of the Mexborough site.

About £6m will be spent on the foundry developments, £5m at Hull and £1m at Mexborough, and the company will receive grants totalling slightly more than £1m from the Government's ferrous foundry industry aid scheme.

At Hull, at the former Ideal Standard plant, a new foundry will be built alongside the existing one to ensure production is not disturbed.

About £2¼m will be spent on the new radiator factory at Mexborough and the production lines have been designed by Stelrad to produce complete radiators in an almost continual process.

A further £250,000 is going to the radiator factory at Verwood *and this investment should* double output.

Lloyd's confirms inquiry decision

LLOYD'S OF LONDON tok its decision to inquire into the affairs of Brentnall Beard, one of its publicly quoted insurance brokers, more than two weeks ago and the group was duly notified. A Lloyd's official con*firmed this yesterday saying* that the terms of the inquiry are yet to be settled.

Although Brentnall was told shortly after the decision it has *not been told of the areas that* the inquiry team will be looking at. It is believed that part of Lloyd's investigations will involve a study of the broker's involvement in the Sasse *dispute* with a Brazilian reinsurance group.

Lloyd's official confirmation comes less than 24 hours after *Brentnall Beard said that it was* "unaware of any inquiry by the committee of Lloyd's into the conduct of Brentnall Beard," following a report in the *Financial Times on Thursday.*

Management prize

THE £500 national management plate competition was won in London yesterday by Dr. Terry Flitcroft, managing director of the Unicorn Industries group. Teams from GKN Group Services and Dexion came second and third. There were 171 entries drawn from teams knocked out in the first round of the United Kingdom national management competition championship.

Trade barrier

THE GOVERNMENT is taking action to try to reduce the *effects on British trade of a new* United States Toxic Substances Control Act, Mr. Michael Meacher, Trade Under-Secretary, told the Commons yesterday. He *considers the Act a potential* barrier to trade.

More talks next week in Post Office dispute

BY PAULINE CLARK, LABOUR STAFF

THE CHANCES of a solution to the nine-month old Post Office engineering dispute over a shorter working week receded yesterday after joint talks were *adjourned for the fifth time.*

If the two sides fail to agree on a formula at a reconvened meeting planned for next week, Lord McCarthy, who is heading *the inquiry* into the dispute, is expected to produce his own recommendation.

Lord McCarthy has been placed in the role of mediator and any recommendation he may make on the union's demand for a 35 hour week will not be binding on either the Post Office Engineering Union or the management.

The Post Office has resisted the claim for reduced hours without loss of pay on the grounds that it is in breach of the Government's 10 per cent pay guidelines.

Towards the end of last month, the engineers stepped up their industrial action after banning work on new exchange connections since last September.

Friction between management and union was somewhat defused on Thursday, however, when the Post Office allowed 26 engineers from the National Switching Centre in North London and another 14 who had been sent home for operating an overtime ban in Dundee, to return to work.

The scope for finding a formula for an early settlement seemed as narrow as ever yesterday. The union said yesterday that any offer which fell short of its demand for a 35-hour week would have to be taken away for further consideration by its executive which would then have to relay the details to local officials.

A decision might then have to be taken on whether to recall the special conference which met last January, when the engineers *said any proposal* to finance a shorter working week through a new productivity deal would be unacceptable.

Boyd nominated for TUC council return

BY ALAN PIKE, LABOUR CORRESPONDENT

MR. JOHN BOYD, general secre*tary of the Amalgamated Union* of Engineering Workers, is being nominated by his union to return to the TUC general council in September.

Pressure from left-wingers on the AUEW executive forced Mr. Boyd off the general council shortly after he became general secretary in 1975. His return indicates the swing against the Left which has taken place in the executive since then, culminating in the election of Mr. Boyd's close political ally, Mr. Terry Duffy, to take over the union presidency in October.

Traditionally AUEW general secretaries have been administrative officials and have not served on the TUC general council. However, Mr. Boyd is by far the most experienced of the figures who now dominate the union's leadership.

Mr. Hugh Scanlon, who retires as AUEW president soon after the TUC Congress, is not standing for re-election to the general council. The union's other nominees with Mr. Boyd will be Mr. Duffy and Mr. Reg Birch.

Mr. Birch, a Maoist who retires next year, took Mr. Boyd's place on the general council in 1975.

The AUEW's representative on the Labour Party executive, Mr. Bill John, has decided to withdraw for health reasons. In his place the union is nominating Mr. Gerry Russell, executive member for the North West area.

Civil servants plan disruptive action

BY PHILIP BASSETT, LABOUR STAFF

INDUSTRIAL CIVIL servants in London may hold a day of disruptive action in support of their annual pay claim. It could include a half-day strike and picketing of Government Ministries and the House of Commons by the unions involved.

Mr. Mick Martin, public services' national secretary of the Transport and General Workers' Union—which has the largest membership of Britain's 183,000 industrial civil servants—met his union's London shop stewards yesterday to discuss co-ordinated action in support of the claim.

The day likely to be chosen is a week next Tuesday. The stewards are to discuss with their *members what forms of action* to take and meet again on Wednesday to make final decisions.

If a half-day strike is held those called out could include drivers from the Government car pool, House of Commons staff, including catering workers, porters and maintenance men, Whitehall messengers, Ministry doormen and maintenance workers and staff at other London centres such as the Royal Ordnance Depot at Enfield.

Pickets are likely to be posted on Government buildings, including the Department of the Environment, Ministry of Defence and the Civil Service Department.

Leaders of the industrial civil servants, one of the largest groups of workers still to settle under Phase Three of the Government's pay policy, have rejected two forms of a 10 per cent pay offer from the Government.

The offer was for an overall net increase of £1.10, giving a new basic rate of £36.60, which *with incomes policy supplements* would have totalled £45.60.

The Government has not offered the commitments the unions wanted on comparisons with manufacturing industry or on the introduction of four weeks' holiday a year.

The unions also want similar assurances on pay to those made to the police, firemen, teachers and armed forces.

Railmen demand fare cut—for themselves

RAILWAYMEN are seeking a substantial cut in their privileged fares and a removal of restrictions on the use of concessionary tickets.

Delegates at the annual conference of the National Union of Railwaymen in Llandudno unanimously approved a Preston branch motion to negotiate a *substantial reduction in privileged fares* which are 25 per cent of ordinary fares.

Bristol branch received support for a free travel pass card *to cover retired staff on a* 30-mile radius from their home stations.

Waltham Cross demanded the same travel facilities for husbands of women staff as accorded to wives of railwaymen.

Mr. Sid Weighell, general secretary, is campaigning to raise pay to a minimum of £50 for his 6,500 members at British *Transport Hotels.*

Greenkeepers attached to hotels at such famous golf courses as Gleneagles and Turnberry are among the lowest paid. *Their basic minimum is £46.*

Grunwick strikers seek jobs

THE remaining strikers at Grunwick film processing, north London, decided yesterday that they must call off their action *and look for jobs.*

Yesterday's quiet end to one of the most celebrated and bitter disputes for years became inevitable on Wednesday when the Advisory, Conciliation and Arbitration Service decided that it could not go further with two outstanding claims for union recognition at the company.

The Association of Professional, Executive, Clerical and Computer Staff—the main union involved in the 23-month recognition dispute—will devote attention to helping a 55-strong group which still has been receiving strike pay to find jobs.

Harvest stand-by pay agreed

FARM WORKERS will be paid next year for the weekends they have to stand by in case the weather is right for harvesting.

The Agricultural Wages Board agreed to the plan after pressure from the National Union of Agricultural and Allied Workers, which has called for the payment for several years. The amount of stand-by payments will be discussed in September.

The union is also to seek an *increase in minimum rates from* £43 to £80 at the September talks.

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THE WEEK IN THE MARKETS

A flicker of life

stock market huffs and s—but it isn't really going where. Thus the FT 30- re Index this week regis- d its sharpest rise for a ple of months, and ended up in the middle of a trading ge in which it has been k for most of this year.

he rally was triggered by rmer tone in the gilt edged ket, which looks as though ay be getting over its bout indigestion at last. A ter tone in sterling helped and so did the latest data on inflation rates.

ut it is hard to see the ket making much real head in the near future. An tion campaign is already ing under way, in fact if not name. The likely rate of ation a year hence is still mpletely open question. The nediate outlook for dividends highly uncertain. And the ands for credit from the ate sector are increasing. So bulls are going to have their k cut out if they try to ke off the mid-summer rtia.

? share spurt

tish Petroleum shares shot ad this week, from a low nt of 832p to a high of 896p ore ending the week at 866p, ough the persistent specula- that the company had found massive oil field to the West the Shetland Islands. The dis- t possibility of a promising covery may have been the se for the rash of buying. t it is questionable whether was a sound reason.

For in truth, BP has not yet nd a massive field. Last gust it drilled a well on block /S which flowed a fairly vy oil (by North Sea stan- ds) at a modest rate of 2,920 rels a day. And it appears to e struck oil again on the ne block with its latest well he one that is causing all the itement. BP is remaining ht lipped but it appears to be engaged in a testing programme, the barest details of which might be released in two or three weeks' time.

The wells may indeed have penetrated the same, large oil-bearing structure but it is too early to judge accurately just how big the structure might be. Reports have suggested that there could indeed be a very big oil accumulation, quite possibly containing billions of barrels of reserves. Some analysts have hinted that the amount of oil in place in and around block 206/8 could be well over 10bn barrels. This would make it one of the biggest fields off Britain's shores.

But this has yet to be proven. Evidence from around that area suggest that the oil is contained in a shallow reservoir which

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should make production difficult (it restricts the extent to which slanted wells can be drilled, for instance). The characteristics of the structure might present other production problems that can only be overcome with new offshore technology. So it is difficult to see this West Shetland oil accumulation being exploited commercially much before the late 1980s—just about the right time to offset the then dwindling supplies of BP's Forties Field crude oil. This scarcely offers investors the prospect of a quick return. Maybe institutions and private market punters were merely looking for an excuse to buy BP shares.

Rien ne va plus

Ladbroke and Coral shares have been underperforming the market for some months now on fears that Lord Rothschild and his team of non-gamblers on the Royal Commission on Gambling would have something nasty to say about casino profits. The nervousness was justified because Lord Rothschild did not pull his punches.

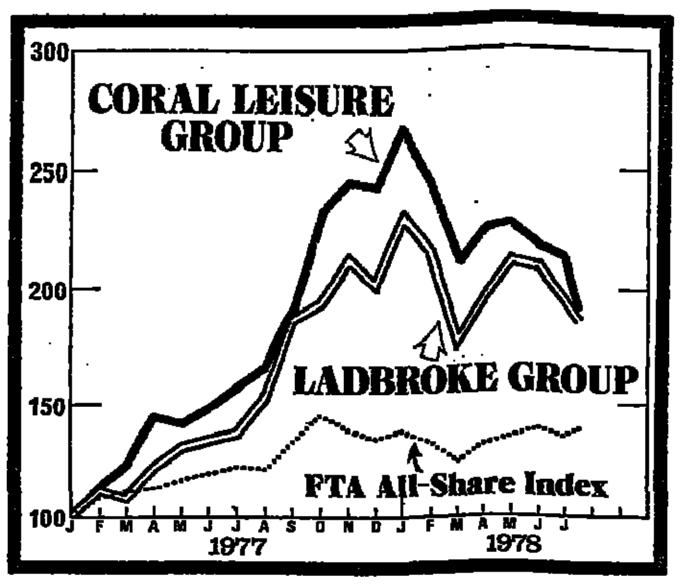
The report reckons that casinos are almost certainly the most profitable businesses in the country. The return on capital employed of the average casino is 172 per cent and for the big London casinos the figure is 432 per cent. What is more, casino punters pay virtually no tax unlike other gamblers. Lord Rothschild argues convincingly that they should be made to pay more and proposes that there should be an eight-fold increase in casino licence duty which will be partly financed by a 7½ per cent "general betting duty" levied on casino customers. In addition, the big casinos which have a drop (money exchanged for chips) of over £10m will have to pay a 3 per cent additional casino levy. This would mean that the pre-tax profits of the big London casinos would collapse from £42.1m to £10.1m.

All this is bad news for Ladbroke and Coral which make 47 per cent and 32 per cent of their profits respectively from casinos. Of course there is a big difference between recommending these changes and their actual implementation but the message is clear—the boom conditions for the casino operators could soon be over.

Fly in the ointment

The Bank of England's evidence to the Wilson Committee is bland reading compared to the Rothschild report on gambling. If it is remarkable at all it is only for the fact that it manages to ignore completely the Sarabex case in a document which is ostensibly about the supervision of the financial institutions.

The Sarabex case is the complaint brought by a money



broker of that name against what it alleges is the closed shop in London money broking. Since the original complaint was made last August, the significance of the case has gone well beyond the objections of this broker to what appears a respectable association in the usual City tradition.

It is now seen as a test case of whether the Bank of England's style of informal regulation of financial markets will be allowed within the EEC. This style is personal flexible and free from the heavy hand of the statute book. It does not accord with the more legalistic continental method of doing things.

The Bank thought that it was succeeding in persuading the Commission to compromise, and the Sarabox case was expected to be resolved in the next move or so. But this week it was revealed that the Commission had written to the Bank saying that the compromise was off. The deal would not wash with the legal department which guards the Treaty of Rome. So it is back to the negotiating tables, probably for several months.

U.K. TOP PERFORMING SECTORS IN FOUR WEEKS FROM JUNE 15

	% Change
Stores	+6.1
Hire Purchase	+5.8
Newspapers, Publishing	+5.6
Electricals	+3.2
Wines and Spirits	+3.1
Food Retailing	+2.8
All-Share Index	+0.9
THE WORST PERFORMERS	
Entertainment, Catering	−1.7
Household Goods	−2.5
Breweries	−3.1
Shipping	−3.7
Misc. Financial	−5.4
Discount Houses	−5.5

DCL on target

Full year figures from Distillers this week came right up to best hopes with pre-tax profits rising from £133.6m to £162.5m. And the long term outlook appears fair: Distillers is confident enough to start rebuilding its stocks of whisky, and it can well afford to with net cash of nearly £100m in the balance sheet.

However, analysts are not aiming for very much growth in the current year. The decision to withdraw Johnnie Walker Red Label from the home market following the EEC's ruling against the company's dual pricing policy has probably cut the company's share of the UK market in half to around 20 per cent. Overseas the picture is brighter with 4 or 5 per cent volume growth in prospect, though margins may be tighter. Overall profits of around £180m are expected and the company is promising to improve on its 6 per cent yield as soon as legislation permits—good enough to sustain the shares at 187p.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1978 High	1978 Low	
I. Ord. Index	474.4	+18.8	497.3	433.4	Economic and dividend hopes
tish Dredging	28	−13	41	21	Fading bid hopes and annual loss
	866	+34	896	720	Reported major oil discovery
ral Leisure	96	−6	144	95	Report on gambling
untryside Properties	45	+6	46	31	Improved interim results
ossley Building Prods.	103	+39	104	62	Agreed bid from Bowater Corp.
stillers	187	+9	190	163	Satisfactory results/dividend hopes
nlop	80	+6	90	71	Heavy Far Eastern buying
R.F.	117	+17	120	82	Good annual results
	385	+23	396	328	General economic hopes
dbroke	166	−12	215	162	Report on gambling
yds Bank	280	+25	297	242	Ahead of int. dividend season
rks and Spencer	157	+14	160	135	Market trend
ars Bros.	14	−6	31	14	Pre-tax loss and dividend omission
tork	137	+12	140	104	Proposed 100% scrip issue
yal Insurance	367	+24	425	343	Investment recommendation
bens (UK)	374	+40	444	226	Improved Brae Field prospects
tramar	270	+25	276	182	North Sea speculation
allis	143	+53	145	46	Results and 300% scrip issue
est Rand Cons.	141	+28	178	78½	Cape demand

U.K. INDICES

Average week to	July 14	June 7	June 30
FINANCIAL TIMES			
Govt. Secs.	70.13	69.39	69.18
Fixed Interest	71.73	71.27	71.23
Indust. Ord.	470.8	454.2	456.5
Gold Mines	159.5	159.3	159.5
Dealings mkd.	4,402	4,346	4,309
FT ACTUARIES			
Capital Gds.	214.56	208.49	207.93
Consumer (Durable)	197.85	191.47	191.33
Cons. (Non-Durable)	202.08	195.93	195.22
Ind. Group	210.46	203.98	203.93
500-Share	234.28	226.68	226.76
Financial Gp.	162.24	155.26	156.64
All-Share	215.99	208.62	208.70
Red. Debs.	56.80	56.71	57.29

Recovering composure after the spring

AS corporate America swings into its second quarter earnings reports, the stock market has been recovering its composure following the erosion of the Spring rally. So far it has to be admitted that the market is demonstrating considerable resilience in the face of mixed economic and financial news.

There are those who are characteristic of the present situation as a tug of war between institutional investors.

On the one hand are investors who believe the economy is heading for a disastrous credit crunch. On the other are those who feel a flowing—or faltering—economy will cool inflation and reduce GNP growth to a lower more sustainable level.

So far it has to be concluded the optimists are ahead on points. Thus, in a week during which the best news has been

NEW YORK
STEWART FLEMING

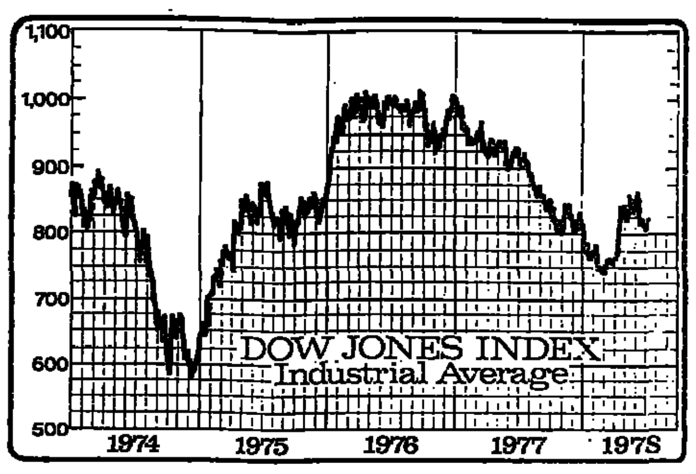
some impressive quarterly earnings figures—a doubling of profits at Teledyne for example which sent the shares soaring $8⅜ to $107¼—the Dow Jones Index has risen steadily.

To some extent speculative fever is buoying up the market, there is nothing like healthy dealing profits to encourage investors to push out the boat. The excitement over gambling stocks is now spilling over into airlines where de-regulation is showing signs of sparking a merger wave which could set the "arbitrage" game alight.

To Continental Airlines and Western Airlines merger talks must now be added the prospect of a merger between Texas International and National Airlines and North Central Airlines and Southern Airways.

Even the oil sector has caught the backwash with Texaco stock strong on the prospect of a possible strike in the Baltimore Canyon in spite of a cautionary statement from the company and the evidence of two dry holes already in the area following drilling by Continental and Shell.

So far at least the interest



generated in these sectors has enabled investors to shrug off more worrying news. Thus Federal Reserve Board chairman, Mr. William Miller's warnings to the Congress about the threat of inflationary excesses did little to dampen investors' ardour.

It remains to be seen how the market will respond to the near record surge of the money supply in the first week of the new quarter. There had been rumours of a $5bn lead in M1 through the week. Now that such a big increase is confirmed just ahead of a meeting of the Federal Reserve's open market committee next week, caution might be expected to prevail until a clearer idea of where monetary policy is headed is available.

But logic is not always a good guide, some would say it never is, in trying to judge a stock market which may be gaining confidence. Moreover there is little doubt that the economic statistics coming out in the next few weeks will provide evidence of a slowing in growth from the 8-10 per cent rate anticipated in the second quarter in real terms. The apparently encouraging indicators should be available to back up renewed optimism, at least in the short term.

	Close	Change
Monday	816.79	+ 4.33
Tuesday	821.29	+ 4.50
Wednesday	824.93	+ 3.64
Thursday	824.76	− 0.17
Friday	839.83	+15.07

Exceptional circumstances

MAY be coldly regarded as non-recurring credit by an countant, but an exceptional ofit is a welcome bonus as far a shareholder is concerned. nd this week holders of South rican gold shares will have en cheered by the advance in ne quarter earnings of the ines in the **Consolidated Gold** elds group; the past quarter's sults of the gold producers in e other groups will be blished from Tuesday onthis next week.

The average price of gold ring the June quarter was ly a few dollars above the erage of $173 per ounce ceived by the mines in the evious three months. What s boosted their profits has en the change in the method payment for the mines' gold.

Previously they received the ficial price of $42 when it as delivered to the Reserve ank and then they had to wait r one to two weeks before ey received the difference tween this and the much gher price obtained when the ld was sold on the open arket.

From April 11, however, the ines get a market-related ice at the time of delivery. onsequently, the revenue ceived in the past quarter has en increased by catch-up payments relating to part of the old that they delivered in the revious three months under e old system.

This once-for-all bonus has made most impact on profits of he less prosperous mines. **Ventersposl**, for example, has ome out with a net profit for he June quarter of R1,525,000 £925,500) after repaying state id of R139,000. In the previous quarter the mine was a ecipient of state aid to the tune f R1,197,000 which was mostly bsorbed by the operating loss, eaving a profit of only R123,000.

Moving "up market," the onus element has grown less and the high grade West **Driefontein** has shown a modest 30 per cent. rise in profits. **Kloof's** profit has risen by 46 per cent and in this case the improvement has been helped by a return to normal production after the underground fire. Ore milling totalled 480,000 tonnes in the past three months and I hear that the rate is expected to rise to 540,000 tonnes by the first half of next year.

In the diamond world, sales

MINING
KENNETH MARSTON

handled by the Central Selling Organisation on behalf of De Beers and other diamond producers for the first half of this year have bounded ahead to a value of R1.06bn ($1.22bn). This is 13 per cent up on the first half of 1977 when the full year's total reached a record R1.8bn.

In this case the bonus element stems from diamond price surcharges that the CSO has imposed this year in its efforts to maintain control of the market, which had succumbed to a bout of speculative trading: merchants, hedging against currency and political worries, had been holding on to rough gems instead of passing them along the processing chain.

The resultant shortage of gems led to high premiums of anything up to 100 per cent being charged in the market above the CSO prices. This did not, of course, benefit De Beers and other producers or, for that matter, the buyers of finished jewellery. So the CSO slapped surcharges of up to 40 per cent on its own prices.

This action together with some squeezing of credit unlocked the gems from non-productive hands and the situation is now under control again. The surcharge at the recent CSO sale (there are 10 of these "sights" a year) was reduced to 10 per cent and may disappear at the next sale on August 21.

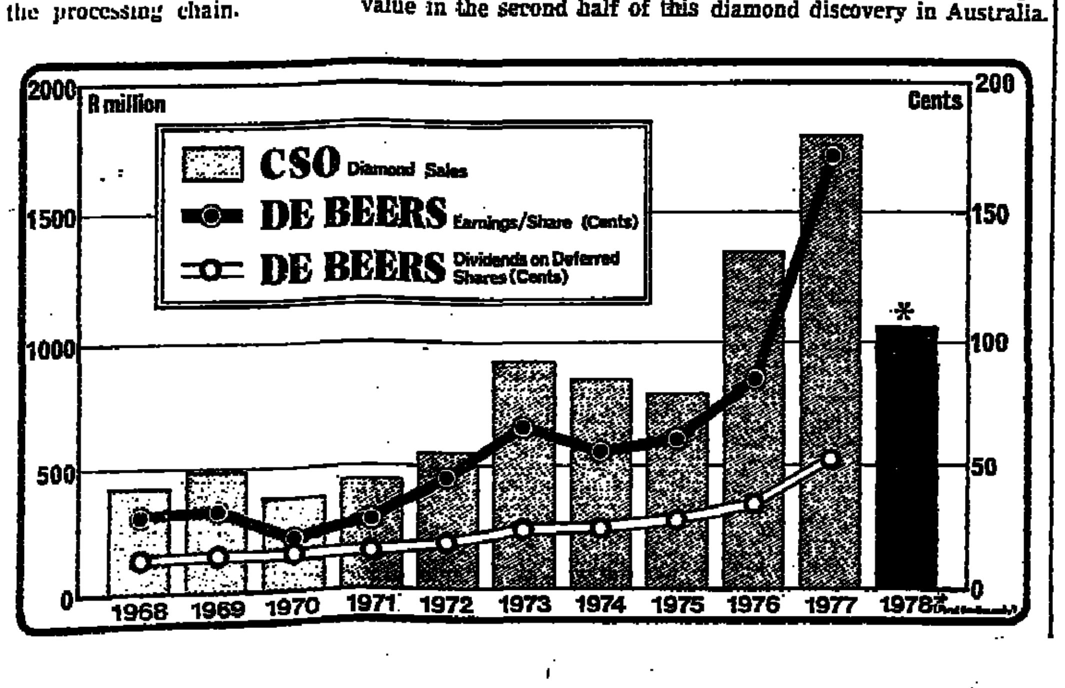
A seasonally quiet diamond market now looks with interest to the outcome of the next sale because it should give some guidance on the important U.S. market prospects; buyers from across the Atlantic will be seeking stones for the Christmas trade there which accounts for 40 per cent of U.S. jewellery purchases.

The absence of high surcharges on CSO prices coupled with a cooling in the market generally points to a lower sales value in the second half of this year, but the year's total is still likely to exceed the 1977 record. So too, of course, are De Beers profits.

Meanwhile, the acceptance of the Western proposals for the peaceful transfer of Namibia (South West Africa) to independent status — though yet to receive UN Security Council approval — is probably of greater importance to De Beers with its big diamond interests in that country. And the group has demonstrated in Botswana that it can live amicably with Governments in emergent countries, albeit somewhat less profitably.

Finally, the Rio Tinto-Zinc group's **Conzinc Riotinto of Australia** has reached the stage at which it is to start bulk sampling at the joint venture diamond exploration prospect at Ashton in New South Wales. Diamonds are there all right, but the bulk sampling is needed to determine whether they exist in sufficient concentration to be economic.

CRA warns that it will take time to find the answer and the group preserves an understandable air of caution in its latest progress report on this intriguing prospect. After all, there has never yet been a major diamond discovery in Australia.



FINANCE AND THE FAMILY

Valuation of shares

BY OUR LEGAL STAFF

When equities are transferred from a testator's personal representatives to a beneficiary some time after the testator's death and after there has been a considerable change in the market value, is the "acquisition cost" in the hands of the beneficiary the value at the date of death or the value at the date of transfer to the beneficiary?

If the shares are actually transferred, then the valuation is as at the date of death. It is only when the executors sell the shares that provision is made for a fall in the price.

A power of attorney

With reference to your reply under A Power of Attorney (May 6) I have always understood that such a power granted before the Act of 1971 enured for one year only. Must the grantor who wishes to continue the authority sign a new form each year thereafter?

A power of attorney granted after 1971 can enure for more than one year, but after a year the presumption against revocation ceases.

Joint purchase of a cottage

My wife and I intend to purchase a country cottage jointly with one daughter, who lives abroad, and we shall both be using it for holidays. Do we need a power of of attorney for every transaction after the purchase —for example, for extensions, bills for repairs etc? Must every payment be made as to 50 per cent by our daughter to satisfy the authorities that it is genuinely shared? Can we at a later date reduce our share of the property by each making an annual tax free gift of £2,000 each?

If you use the medium of a trust (as is in fact inevitable) it will be unnecessary to have a power of attorney. One or more trustees resident in England can be appointed to look after your daughter's interests. It is not essential for every payment to be shared as you state; but the overall contribution must be a genuine sharing. By means of a trust for sale the transfers of shares in the property up to a value of £2,000 can be effected without difficulty. It would be wise to consult a solicitor in respect of the whole transaction.

Terminating a tenancy

What action can I take against a tenant who has installed a gas fire in a bedroom against my wishes and against the advice of a property repairer?

You should consult a solicitor with a view to ascertaining whether you can terminate the tenancy and seek possession under Cases 1 or 3 of the 15th Schedule to the Rent Act 1977.

Shortcomings of PAYE

My wife receives a pension from which tax is deducted at the full standard rate and it takes a long time and some trouble for me to claim in respect of her EIA. I have suggested that this EIA be added to my own notice of coding, which would mean that jointly we should be paying the tax due, but, despite all my representations, I have been unable to get the local tax office to agree. Is there anything to be done?

Your best hope probably lies in writing to the Secretary of the Board of Inland Revenue, New Wing, Somerset House, Strand, London WC2R 1LB. Quote the reference number on the tax inspector's letter, so that the officers at Somerset House can ask to see your file, if need be. Tactically, you should not criticise the conduct of the tax officers, but merely the apparent shortcomings of the PAYE system.

An insurable interest

I am a British citizen employed in Zambia and have been told that it is possible to insure all my personal effects against all risks world-wide by means of an insurance policy purchased in Britain. Is this so and if it is how do I set about it?

The risk you mention is an insurable interest. It should therefore be possible to have a policy written for you. You should consult insurance brokers, as the policy you require can probably best be obtained from Lloyd's underwriters in London.

An ex gratia payment

The roots of an old poplar tree in my garden caused a leak in the water main and on advice that the trouble would probably recur, after having the leak mended, I had the tree cut down and am getting the roots killed. My insurance company agrees that, under my comprehensive household policy, I am covered for the leak not for the tree cutting. What, please, is your view?

Without sight of your policy we cannot advise with accuracy, but it is most likely that you are not covered for the cost of removing the tree and its roots. You may, however, persuade the insurers to make an ex gratia payment towards the cost as you have removed the source of a future claim.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Inheritance from abroad

I am a British subject, but have been resident in Italy for the past 30 years. If I put my UK investments into a three-way joint account with my wife and son, do these, plus bank deposits etc automatically pass to the other two on my death, without tax being payable and should I make a will to ensure this happens?

The stock and bank account will pass to the survivors or survivor on your death. However, there could be some doubt whether the equitable interest was vested in the three joint holders or only in one or two of them unless there is an express declaration of trust. Moreover, in view of the possibility of there being a doubt as to the position under the laws of inheritance in Italy it is desirable to make provision by an Italian will which demonstrates clearly what you intend. Capital Transfer Tax should not be payable if you are domiciled in Italy.

Division of expenses

"A" dies leaving his estate consisting of shares for division between his two sons "C" and "O"—viz two-thirds to C and one-third to D. C wishes to sell his two-thirds of each holding and D wishes his one-third share in each company to be transferred to him.

Has the brokerage on sale by C to be borne by him alone and has the transfer stamp duty of 50p on each transfer to be borne by D alone? Or should the whole of the brokerage and the whole of the stamp duties be borne by the estate so that, in effect, D would be contributing one-third of the whole of such expenses and C two-thirds of the whole?

There is a sound argument to be advanced in favour of either proposition which you advance. However, it is likely that the correct approach is for all the expenses to be borne by the estate as in your second alternative.

Transfer tax on house

In our reply on May 6 under Transfer tax on a house we erroneously indicated that there was no distinction between freehold and leasehold land for the purposes of Capital Transfer Tax. In fact paragraph 20(3) of the Fourth Schedule to the Finance Act 1975 perpetuates the ancient distinction by expressly providing that leaseholds are included in the term "personal property" for the purposes of the Inland Revenue Charge for unpaid tax, where the chargeable transfer is made on death; so that leaseholds are not in that event subject to the Inland Revenue charge, while freeholds are so subject.

A return from Australia

In 1968 I went to work in Australia and stayed there until 1975. Since then I have been a student, and having obtained a job, I shall be staying in this country. When I returned to England I left the bulk of my property in Australia basically, bank accounts, shares and two residential properties which are let. Each year I lodged a tax return with the Australian authorities. Was it legal for me to have left property in Australia? Now that I expect to earn an income in the UK shall I have to submit tax returns in both Australia and the UK? According to the local tax officer, I have not hitherto been liable to UK tax.

We take it that you are (and always have been) domiciled in England and Wales—or elsewhere in the UK—and that you hold UK citizenship only.

That being so, you will undoubtedly have to bring your Australian assets under the control of a UK bank (or other "authorised depositary" for exchange control purposes) and you may have to bring most of your bank balance to the UK (or at least the Channel Islands or the Isle of Man). You should get in touch with your UK bank, so that they can make the necessary arrangements for consent to retain your Australian bank account (for the purpose of collecting income and meeting expenditure on the properties, etc.).

In telling you that you were not liable to UK tax, the officer at your local tax office appears to have misconstrued article 3(2) of the Australia-UK double taxation agreement of December 7, 1967. From what you say, the formula set out in that article will cause you to be treated (for the purposes of the agreement) as being resident in the UK, and not resident in Australia, from your return home in 1975. You may find, therefore, that you have a UK tax liability for the past few years—and possibly a refund due from the Australian tax commissioner. You have not given us enough precise facts to advise you in detail, and so we suggest that you read the double taxation agreement to see how it affects you. You will find it in Simon's Taxes (volume F) or the British Tax Encyclopaedia (volume 5), in a reference library, or you should be able to buy a copy from your local HMSO agent for about 50p (SI1968/305). After reading it, you may like to come back to us, if you are still in doubt on any point.

Cover against accidents

INSURANCE

JOHN PHILIP

TUESDAY'S holiday disaster at the camp site at San Carlos de la Rapita emphasises, if nothing else does, that we are all some of the time if not most of the time at risk from the unexpected hazards of modern industrial life, even on holiday.

Incidentally it is estimated that 100,000,000 tons of potentially dangerous substances including liquefied propylene gas, is carried during the course of the year by tankers on the roads of this country, so there is potential for a similar disaster here at home, though the odds when counted against the number of tankers not just on our own roads but including those of the European mainland must be some millions to one against.

Accidental death and accidental injury seem to be an increasing risk of modern life and certainly when accidents occur they seem to involve more and more people. Whether or not either of these apparent phenomena are statistically true (and they are both aspects of the same) for the average citizen insurers still provide cover for accidental death and injury at very much the same rates as they did 50 years ago, though all insurers now have detailed underwriting rules to deal with policyholders who pose worse than average risks.

I am no great advocate of the purchase of cover solely against accidental death and accidental disablement for this leaves out of the reckoning disablement and death from natural causes. But for the younger citizen, and particularly the younger male citizen up to the age of 30 or so, statistics are clear that it is the accident risk that outweighs the natural cause risk: the two come into balance in our 30's, and after that natural causes inevitably take the lead.

But I must emphasise that I am speaking of broad averages. Your occupation may mean that even right up to retirement the risk of accident outweighs the ever increasing risk from natural causes: your leisure pursuits can substantially enhance the accident risk in the evenings and at weekends: your normal mode of travel may make you a worse than average risk—for example, if you travel by motorcycle or by private aircraft.

But accident insurance is cheap if you are a class 1 risk —a professional or office worker with no hazardous pastimes: you can get death by accident cover at around £1 premium for every £1,000 worth of cover: such insurance is annually renewable and provides protection 24 hours a day whether you are at work or not, here at home, certainly throughout Europe and usually anywhere else in the world. Again as a class 1 risk you can buy cover against accidental total disablement at around 15p premium for every £1 of weekly benefit, and this benefit is usually payable for two years from the date of accident.

Beyond these two basics in addition you can buy cover against loss of limbs or of sight, against permanent total disablement, against partial temporary disablement, against the cost of medical treatment incurred in connection with any injury the subject of claim.

These low rates are increased for occupational hazards: insurers have a range usually of three but maybe of more occupation classifications with fixed percentage loadings for each, and they normally list a whole range of activities carrying increased risk of injury and therefore requiring extra premium—for example the use of a motorcycle can double the basic rate. All modern policies contain long lists of excluded activities ranging perhaps at the lower end from the playing of games as a professional, certainly to mountaineering and parachuting at the higher end.

The cost of buying back any particular exclusion depends on the activity covered: in the extreme case after full enquiry into experience, frequency participation and so on insurers may still refuse cover.

Insurers provide both packages and selective policies. With the former the extent of cover and the amount of benefit are both pre-determined so that the purchaser has simply to decide how many units of insurance he requires: with the latter the purchaser can have his insurance tailored to his own requirements, subject always to the payment of the insurer' minimum premium at the lower en and to insurers' own self-imposed financial limits of cover at the other.

While insurers pay the agreed disablement benefit without proof of financial loss often th[illegible] do seek to ensure that [illegible] amount of benefit is compati[illegible] with the policyholder's avera[illegible] earnings—so that even if [illegible] can afford the premium, [illegible] surers may well question [illegible] need for say more than £10[illegible] week benefit, £5,200 in a f[illegible] year. This is partly because y[illegible] get your money free of tax, [illegible] less you are disabled for a lo[illegible] time, so that you do not need [illegible] match benefit precisely to yo[illegible] average wekly earnings.

It is by concession from [illegible] Inland Revenue and not as [illegible] right that weekly or monthly d[illegible] ablement benefit is not taxe[illegible] this tax holiday ceases on[illegible] benefit has been payab[illegible] throughout a full financial yea[illegible] Thus if your claim starts n[illegible] in July 1978 and runs on to ear[illegible] March 1980 you pay no tax: b[illegible] if it runs on to April 1980 th[illegible] you pay tax in the financial ye[illegible] 1979-1980.

Accidental death benefit li[illegible] other life assurance benefit [illegible] not normally taxable in t[illegible] hands of the recipient becau[illegible] accidental death insurance[illegible] count as term assurances wil[illegible] in the "qualifying poli[illegible] rules" laid down in the Financ[illegible] Acts.

Because accidental deat[illegible] cover counts as life assurance [illegible] has been possible to get tax re[illegible] lief on premiums, subject to th[illegible] normal life assurance tax relie[illegible] rules. But new life assuranc[illegible] tax relief rules commence ne[illegible] April and then the right to ta[illegible] relief on accidental death pr[illegible] miums will vanish. And o[illegible] course there never has been an[illegible] right to tax relief on premium[illegible] for disablement as distinc[illegible] from death benefits.

Of matrimony and money

IT IS A very unnerving experience, these days, to sit in on a group of men discussing matrimony and money. Maybe married men have always taken the view that wives were parasites with a fine capacity for absorbing income in such trivialities as maintaining a home and family. But recent legislation —and, in particular, legal decisions on the division of property once a marriage ends in divorce—have lent a sourness to these opinions which forms a dismal tribute to the enlightening effects of 50 years of liberation. Possibly it has something to do with the quality of attempts at such enlightenment.

Take, for example, the spotlight which Liberty Life saw fit to throw, earlier this week, on the attitudes of married women to money. Liberty Life is a group which has made something of a corner in the provision of particular products for women, and very successfully too: and the survey which they have just produced—"Married Women and Savings" —was brought out in conjunction with a sensible plan for a woman to transfer her life assurance to her husband on marriage and transfer it back again—once—should the marriage subsequently break down. Would that they had seen fit to stop short at the production of this plan.

But no: they saw fit to ask 895 married ladies questions too, and to present us with the outcome of their inquiries. Their findings are hardly striking for their originality. They are as follows: that married women would like to save on their own account; that married women, in general, do not save on their own account: and that they could not save on their own account unless their husbands changed their attitudes. From these findings Liberty Life's researchers conclude that the great majority of wives can reasonably be described as "financially battered."

It is, of course, nonsense. The exercise might have been worth doing had Liberty Life applied itself to the question of how many husbands are financially battered too. As it is, the feelings of the young man who, having committed his means to establishing a home, and his financial future to supporting a family, discovers that his wife is to be considered financially battered because she can no longer maintain the savings that she made when she was single, in all probability beggar description. It is certain, however, that they provide no basis for that mutual respect and reliance which ought to provide the financial foundations, at least, of any marriage.

Looking on—looking back

TAXATION

DAVID WAINMAN

"ANTI-AVOIDANCE legislation is the Inland Revenue's way of dealing with the other fellow—the one who is too clever by half, and who deserves all that is coming to him. Why should he think he can get away with paying less tax than I have to? If the legislation has to be retrospective to catch him, that is all right by me."

If you think that tax legislation is directional in that way, that it hurts him but leaves you unharmed, then read on. Not only is the legislation indiscriminate, but so are the officials of the Revenue and the judiciary.

Inspectors of Taxes make it quite clear that their job is to operate the law. If you are within its provisions you pay, if you are outside you escape. Inspectors cannot judge who is a naughty boy, and use the law to catch him, while recognising that law abiding citizens should not have the stringencies of that same law applied to them. Similarly judges in tax cases not infrequently regret, in their judgments, being compelled to penalise the innocent. Rough injustice always hurts both judge and judged more than does the sight of the guilty escaping.

Ensnared

Is this all an over-dramatisation? Is it likely that any of us will be ensnared at any moment in some dreadful anti-avoidance legislation? Let us look at a very simple, straightforward, innocent transaction.

A lends money to B. A is not a banker nor a moneylender, and he does not think that he should charge interest on the loan. If he does not receive any income, surely he will not have to pay any tax. So why is it of any concern to the taxman?

The transaction interests those who frame our tax laws just because it looks so simple, straightforward and innocent. Those are just the garments in which the worst avoiders clothe themselves.

Perhaps it is not really a loan at all, but is a gift from A to B. If it is, then A must pay capital transfer tax. It may be that what A is giving is the use of the principal for a specific number of years, a period which he will not subsequently be able to cut short. If so, A pays tax immediately on the difference between the sum he lends, and the discounted present value of what he will get back at the end of the term. Alternatively, if A can call for his money at any time, he is regarded as making each year a gift of that year's interest, and it is this that is subject to capital transfer tax.

Strangely, if the interest-free loan is taxed as a series of annual gifts, it is the amount of interest at an arm's length rate, but net after A's top rate of income tax, that he is treated as having given. In a fixed term loan it is not apparently possible to do the discounting calculation on a net-of-tax basis.

But does this innocent loan cloak something even more nefarious? If B is really paying A for the use of the money, but is calling that payment something other than interest (because he knows he would not get tax relief for the use to which he has put the money) then he will fail. The law will treat it as interest and B will fail to get his tax relief.

If B uses the funds to purchase an asset, but only on such terms that he gets the asset alone and not the income from it until he has repaid his loan, then he would indirectly be achieving tax relief on his borrowing. Once again the law prevents him.

A case which saddened the courts more than most concerned Mrs. A, who lent money to meet a very short term need of B in his capacity as trustee of an accumulator trust set up for A's and Mrs. A's children. B subsequently repaid the loan, and A found himself being taxed on the principal sum repaid as if it were investment income received in the year of repayment.

This was obviously not the result envisaged by those who originally drafted the section which caught the A's. The naughty boy they were after was the one who set up a trust in order to stop the dividends from his investments reaching him as taxable income, but then continued to draw equivalent amounts of tax-free cash out of the trust. B's repayment of Mrs. A's loan fell into the trap by chance, and neither the Revenue nor the courts could extricate them.

If the loan made by A to B is made "by reason of" B's employment by A then a whole further set of anti-avoidance provisions come into play. The law deals not only with loans which are interest free, but also those which are subsequently forgiven by the employer.

It has always been the law that absolution by the employer would attract a tax liability on the employee if it was granted "in reference to the services the employee renders . . . and as something in the nature of a reward for services past, present or future." That was what Mrs. Gothorp discovered when her employer lent her the cost of a training course, saying that if she continued in his employment for a stipulated time thereafter, she need not repay.

Mrs. Gothorp was caught by the general provisions of the law. There are other, more onerous, arrangements for directors and those earning over £7,500 (£8,500 from April 6 1979). The extension and clarification of the law in 1976 disadvantaged them in a number of ways. First, any loan from employer to employee is automatically treated as granted as a reward for the employee's services. No longer can the recipient argue that it is a separate, unrelated, transaction.

Secondly, the 1976 amendments include the formula for quantifying the employee's taxable benefit—generally speaking the difference between the interest he actually pays and what he would have paid had the employer charged 9 per cent on the loan. Housing loans up to £25,000 are excluded, and so also are loans where the notional interest charge would have been less than £50. All others are caught, including notional loans deemed to have been made where an employee is permitted to acquire shares at less than their full value.

Notional loan

Until the deemed repayment of this notional loan the employee will now pay tax on his interest-freedom benefit: and if repayment is only a notional event, this means that the deemed loan is deemed to have been forgiven, thus triggering a further charge (the timing of this being a question of very considerable complexity which cannot be dealt with here).

If this is an indication of the width and depth of the anti-avoidance legislation, is it still clear beyond a peradventure that you yourself will never do anything at which it might strike?

Fight for the disabled wife

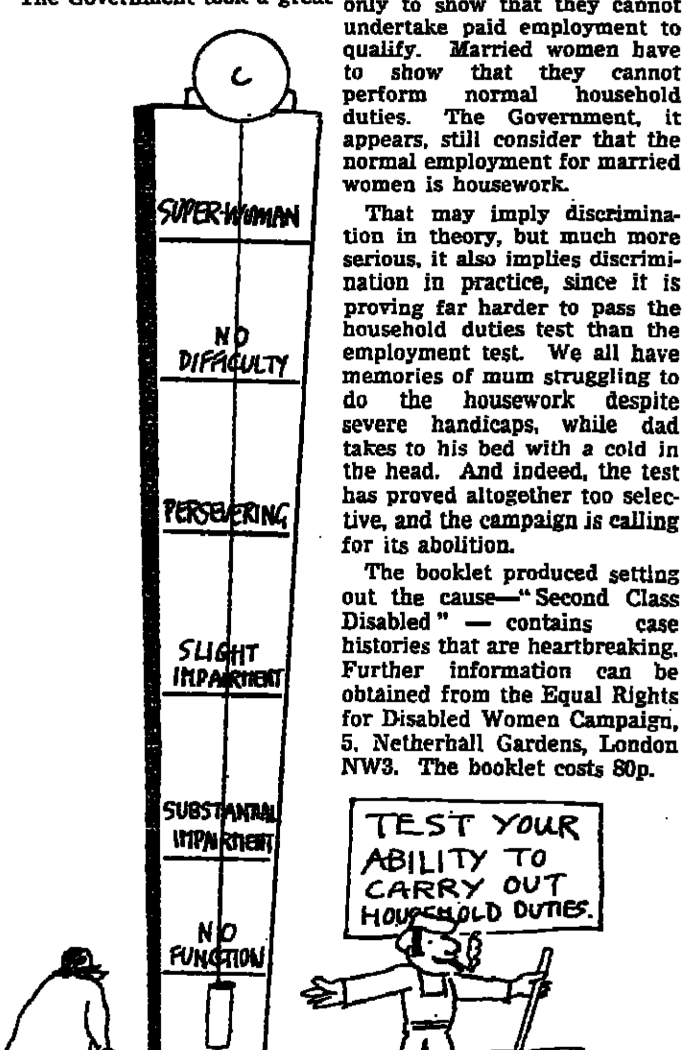
EMPLOYERS ARE warned by all and sundry against discriminating amongst their employees by sex. But in many areas the Government, for a variety of reasons, practices more discrimination than all the members of the CBI put together. One glaring example emerged this week, with the launch of the Equal Rights for Disabled Women Campaign.

The Government took a great step towards social justice in 1975, when it introduced the Non-Contributory Invalidity Pension—a benefit payable to the disabled who because of an inadequate contributions record would not qualify for the normal contributory invalidity payment. At first this was only available to men and single women, indicating that the civil service still considered that married women should rely on their husbands for financial support.

Then, last November, the benefit was extended to married women, thereby removing one source of discrimination. But the ineptitude of someone in authority introduced another. Men and single women have only to show that they cannot undertake paid employment to qualify. Married women have to show that they cannot perform normal household duties. The Government, it appears, still consider that the normal employment for married women is housework.

That may imply discrimination in theory, but much more serious, it also implies discrimination in practice, since it is proving far harder to pass the household duties test than the employment test. We all have memories of mum struggling to do the housework despite severe handicaps, while dad takes to his bed with a cold in the head. And indeed, the test has proved altogether too selective, and the campaign is calling for its abolition.

The booklet produced setting out the cause—"Second Class Disabled" — contains case histories that are heartbreaking. Further information can be obtained from the Equal Rights for Disabled Women Campaign, 5, Netherhall Gardens, London NW3. The booklet costs 80p.



Tax free investment the friendly way

ASSURANCE

ERIC SHORT

FRIENDLY SOCIETIES conjure up visions of Victorian England, with the working class, oppressed by the industrial revolution, struggling through mutual self-help to provide against death, sickness and unemployment. The societies still linger on, despite the advent of comprehensive social security. But very few have looked at the possibilities of using them as an investment vehicle for the small saver.

Because they serve a social purpose, part of the cash collected by the friendly societies can be invested in tax exempt funds. The large friendly societies operating today take advantage of this concession, but offer contracts similar to those offered by industrial life companies. But one company, Family Assurance Society, offers unit-linked investment to small savers.

Normally, the premium for the first £500 of the sum assured can be invested in a tax exempt fund, the rest of the premium having to go into a fund taxed under the usual life assurance rules. But under the Finance Act 1975, Family Assurance—because it does not transact ordinary branch business—can operate at twice this limit, investing premiums tax exempt up to a sum assured of £1,000. And it takes full advantage of this feature.

The plan it offers to investors is an open-ended contract; that is, benefits are payable on death, and premium payments are limited to 10 years. The maximum guaranteed death benefit is £1,000, which means that the maximum monthly premium for investors under 44 is £10, and for those over 44, £11. So it is indeed a scheme for the small saver. By keeping to these limits, however, investment through the society is tax free—on a par with pension schemes.

There is one possible drawback, namely that the investment policy is controlled by the Trustee Act 1961. This means that at least 50 per cent of the premiums must be invested in narrow range securities—cash, gilt-edged: and the remainder can be invested in equities with trustee status or authorised unit trusts. The society operates its own investment policy, and despite this constraint has shown up well in the performance tables. And the premiums still qualify for tax relief.

If the investor wants cash, then he simply surrenders his contract. There are penalties if this is done before the ten-year premium-paying period is completed, so essentially this is a long-term savings contract. Husband and wife can each take out a policy for the maximum premium, thereby pushing up the maximum monthly outlay to £20. But this gives rise to a source of discrimination.

Because these are friendly society contracts, the investor has to nominate the beneficiary to be paid should he or she die. The husband can nominate his wife or dependent children; but the wife can nominate dependent children only. By implication, the children depend on both of them and she depends on him. This is another relic of the days when husbands were the breadwinners and did not rely on their wives for any financial support.

YOUR SAVINGS AND INVESTMENTS

Going for a gilt fund

INVESTMENT

ADRIENNE GLEESON

ROM TIME to time a muted ill emerges from unit trust oups through the land, at that omaly in our tax system ich means that the income any fixed interest fund is ectively double taxed. The ils generally coincide with e sort of bull market that nds investors rushing into lts, but they are none the less lid for that. Such is the pub-'s enthusiasm for income, so e argument runs, that it is deed a shame to deprive them the benefits which a mix of its, professionally managed, uld provide. Only Target, of the unit trust groups, has tempted to tap those benefits; d then with strict attention the possibilities for capital in, and none at all to the come attractions of fixed terest investment: in fact the rget Gilt Fund yields only 3 r cent.

Well now, if you happen to be e of those hypothetical inves-rs whose dearest desire is to ck their money away into a vernment securities fund, is is occurred to you that you n perfectly easily do it by acing your cash offshore? rbuthnot showed the way last eek with its new Government curities Fund, run out of rsey, whose income shares e available to British resi-ents. Arbuthnot, having just unched the fund, was in a sition to advertise it. But the rtues of fixed interest invest-ent offshore are by no means eculiar to Arbuthnot.

What are those virtues? Most government securities funds off-shore were set up to cater for the needs either of expatriates, or of overseas investors with a liking for high British interest rates; and in conse-quence, as the table below (not exhaustive) indicates, they tend to be high yielders. The income they receive, being off-shore, suffers no more than the minimal local tax £300 per annum in Jersey); and it is passed on gross. You yourself of course, as a British resident for tax purposes, will have to declare it, and eventually to pay tax at your marginal rate; but you have the use of the money in the meantime.

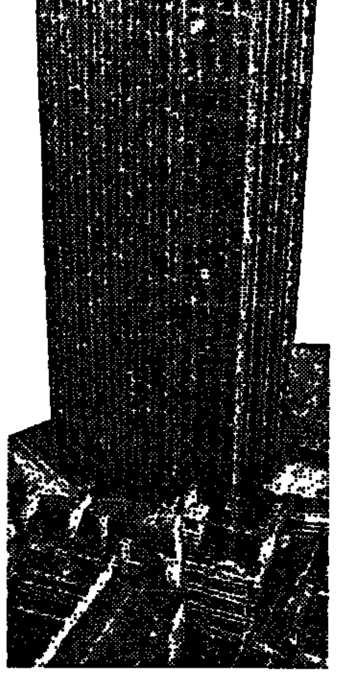
The capital gains tax position is rather more complicated. The funds themselves pay no capital gains tax on the gains they make on sales of gilts, but you will have to pay it on any gains you make on the sale of the units. And since these are not authorised unit trusts, there will be no tax credit to set against your liability, as there is in the case of a UK trust. If you realise gains of less than £1,000, of course, this won't matter to you since you won't be liable to capital gains tax anyway in fact if anything you'll be better off, investing with a fund wihch incurs no tax intern-ally. But if you're a high tax-payer, looking to gilts to provide you with a capital gain, you'd do much better to take the longer, though more nerve-racking route of investment in individual stocks with a view to holding for a tax free gain after the year is out.

As for the position for exchange control purposes, pro-vided its a sterling denominated fund that you are investing in you don't need to worry. And if it's income—plus the prospect of a reasonably stable capital performance—that you are investing for, you are hardly likely to be putting your money into anything else. British rates are still higher than those in almost every other developed country in the world.

Two final points need to be made, however, for those of you to whom such funds appear to offer the perfect combination of high and secure income and a prospect of stable (or better) capital performance. In the first place the income won't grow. And in the second . . . well, while offshore funds are in some cases regulated quite as tightly as those on the mainland, in other cases they are not. So if you do want to put your money into a Jersey, Guernsey, or Isle of Man based trust, choose a fund belonging to a group with a reputation to pro-tect at home.

Fund	Minimum Investment	Present yield
Britannia High Interest Sterling	£500	12.0
Clive Gilt Fund (Jersey)	£1,000	12.0
King and Shaxson Gilt Fund (Jersey)	£1,000	11.0
Quest Sterling Fund (Jersey)	£1,000	12.0*
Rothschild-Old Court Income Fund	1,000 units	7.2
Save and Prosper Fixed Interest	£1,000	11.9
Schlesinger (Jersey) Gilt Fund	£2,500	12.0
Tyndall Gilt Fund	£1,500	11.1

* Projected yield.



Finding a friendly stockbroker

Stockbrokers' services

Firm	Suggestions for clients with assets of: £1,000	£10,000	£50,000	Services offered: In-house trusts	Valuations per annum	Research material sent out	Management discretion offered
Grieveson, Grant	Unit or investment trusts	Gilts or unit trusts	25 stocks of £2,000 apiece	5	1-2	Limited	Yes
Hoare, Govett	Unit trusts	Unit trusts or equities	Investment spread	None	2	Limited	Yes
Laing & Cruickshank	Unit or investment trusts	Gilts or unit trusts	Investment spread	2	1-2	Two-monthly circular	Yes
Greig (R. C.)	Equities or unit trusts	2-3 equities	Investment spread	None	1	Monthly newsletter	Yes
Smith, Keen, Cutler	Unit trusts	Balanced portfolio		None	2	Monthly newsletter	Not normally
Tilney	Equities or unit trusts	Balanced portfolio		None	2	Monthly newsletter	Yes
Norman Colling	Not interested	Balanced portfolio		None	2	Occasional circulars	Yes
Foster & Braithwaite	Unit trusts or equities	Balanced portfolio		None	2	Three-weekly newsletter	No

HAS THE stockmarket really become less popular with the private investor?

Professionals and large insti-tutions have increasingly over-shadowed the private "punter" on the stock market, while build-ing societies, various forms of National Insurance and a galaxy of investment vehicles have been grabbing the lion's share of our available spare cash.

Many stockbrokers, however, are now reporting some pick up in the level of their private business. And, without suggest-ing a return to what now seem the heady days of the early 1970s, one does detect a more optimistic spirit in the air.

It seems an opportune moment to test the warmth of stockbrokers' feeling towards their private clients. So we questioned three of the big London brokers, three of their provincial counterparts, and two of the small firms named by the Stock Exchange as willing to take private clients, about their attitudes. Not surprisingly, per-haps, the response from this small sample was enthusiastic. It would, no doubt have been equally enthusiastic from most of the other 250 stockbrokers whose opinions — for practical reasons—we have not canvassed.

Even if you shop around, you are unlikely to find dealing costs vary much from stock broker to stock broker. Most will charge the Stock Exchange minimum transaction fee which is £7 for equities (£4 for gilts), or com-mission at 1½ per cent (about half this for gilts). Stamp Duty (currently 2 per cent of the value of the purchase—nothing for gilts). Contract Stamp (maximum of 60p), and VAT at 8 per cent on the commission are also payable.

The Stock Exchange lays down financial and professional requirements for its members. All stockbrokers are required to be "financially sound," and now there are certain academic qualifications which have to be met. There are, how-ever, no general rules on what services stockbrokers should provide for their personal clients.

The column headed "manage-ment discretion" refers to the firm's attitude to who makes the investment decisions. Most prefer to have discretion—to be left to get on with managing the clients' money. Clearly, firms whose "research material" is described as "limited" can pro-vide an equally valuable but less easily quantifiable service over the telephone. Valuations will obviously be more regular if a client insists, although he (or she) might have to pay more. It should be stressed that the investment suggestions are merely abstract preferences.

Many stcokbrokers provide an excellent service to their private clients. Others, how-ever, are not so considerate. It is true that the small investor is relatively expensive to ser-vice. But there is no justifica-tion for the way some firms sit on quite large portfolios, pro-viding little or no advice and simply waiting for the unin-formed phone call to put through what may be a small, but—for lack of the service to "accompany it—nevertheless a cheap "transaction. Certainly, anyone with more than £10.000 to invest can obtain a regular, personal service. If you fall into this category and are not getting what you feel you are entitled to, you should not be afraid to change your broker.

Hoare Govett is one of the largest London firms (address: Heron House, 319-325, High Holborn) and has actively built up its private client side in the past 18 months. With current private portfolios of at least £300m, it seeks business from expatriates, trust beneficiaries ally invested via banks and and people who have tradition-other types of broker. Don't expect much after sales service here if you insist on putting £1,000 into individual stocks. This type of "gamble" is posi-tively discouraged, and Hoare Govett will almost certainly refer the £1,000 man to its sub-sidiary Unit Trust Advisory Service, which has four full-time staff. There are no in-house funds, but other people's unit trusts are closely monitored. Even a client with £10.000 will be strongly advised to put his or her money into a fund, since the firm feels a safe spread of individual invest-ments will, at this level, still be burdened by excessive dealing costs.

Grieveson Grant is another big City firm (address: 59, Gresham Street, EC2P 2DS; other office at Tunbridge Wells, Kent) which oversees port-folios of about £350m for an undisclosed number of clients. All this is actively managed on a day-to-day basis, some £37.5m being tied up in Grieveson's five in-house unit trusts. About half the firm's private customers grant discretion, a basis on which the firm is more than anxious to work, and which it finds popular even among finan-cially literate souls like com-pany directors. Small fees are charged for an impressive range of services—£1 per holding, for example, for the large (over £25,000) discretionary account, £3 per holding for the large non-discretionary portfolio. The fee covers computer records, annual valuations and annual dividend listings. The emphasis here, however, is on highly personal advice. General infor-mation is available, particularly for the smaller client, but there are no tipsheets or regular newsletters.

Laing and Cruickshank (address: 14th and 15th Floors, The Stock Exchange, EC2; other offices: Eastbourne and Taunton) is another large London firm with a "substan-tial" number of private clients. The £1,000 investor will be strongly discouraged from individual stocks at Laings, and will instead be directed towards a unit trust. Laing is particularly keen on financial planning and produces a written report, on introduction, for the wealthy client. Pensions and life policy arrangements, for example, are surveyed in a twice yearly valuation and review, which is free of charge. Emphasis is placed on a balanced, conservative, portfolio with a spread of gilts, UK investments and overseas in-vestments.

Glasgow stockbroker R. C. Greig (address: 139 St. Vincent Street plus office in London stock exchange) is a small firm with no more than about 4,000 private clients. However, it is very keen to encourage the small investor. Greig will prob-ably suggest that assets of £1,000 should be put safely into a unit trust, but the firm is perfectly happy to accommodate the newcomer keen to channel his money through a couple of individual stocks.

Smith Keen Cutler (address: Exchange Buildings, Stephen-son Place, Birmingham, other office, 52 Cornhill, London) claims that 40 per cent of its business is from private clients. Investment minnows will not be ignored, though they will almost certainly be directed towards a reputable unit trust. The firm's current thinking is against accepting discretionary status, though there are certain circumstances where it will be exercised. "We do feel that most of the people who come to the market do so because they have a personal interest," says partner Colin Smith. Flex-ibility seems a keynote here, with quarterly valuations and daily telephone contact avail-able on request.

Tilney and Co. is a moderately-sized Liverpool broker (address: 385, Sefton House, Exchange Buildings, other offices: London and Shrewsbury) founded around the middle of the last century, in which half the 20 partners are committed to private business. Tilney claims to devote equal attention to all categories of customer, taking the view that smaller clients demand an even more respon-sible approach since mistakes are proportionately more costly. The firm does not discourage small individual holdings of about £1,000, and points out that many unit and investment trusts, although theoretically spreading the risk, have not performed well. The research department looks at well over 100 companies in six sectors and also provides its own charts service.

Norman Collins and Co. is a very small and relatively new London firm (address: 65, London Wall) with two partners, five associates and two to three "client getters." Business is highly personal and all investors will get a chance to know most of the team face to face. Altogether Collins only has about 1,000 clients and most of these are of modest means. The £1,000 bargain is of no interest to the firm. One of the partners notes: "We are only prepared to lose money for people we know."

Foster and Braithwaite (address: 22-23, Austin Friars) is a small London broker, founded in 1825, with about 8,000 private clients. Much of its business derives from inter-mediaries (banks, solicitors, accountants), a source scorned by many of late, but a useful link when times get tough. Management is not official policy although special arrangements have been made for about 10 clients. Clients of all sizes are welcome although there may be a few hundred (and in this respect Foster and Braithwaite are probably the rule rather than the exception) with whom contact is at best occasional.

The recent 30 per cent equity placing by Foster for agricul-tural consultants Lawrence Goold attracted considerable comment and the firm says more may be on the cards. Private clients, of course, are among the first to hear of what can be speculative but interesting investments in small private companies.

PROPERTY

Riviera—English style

BY JUNE FIELD

"THE HILLSIDES dotted with white villas, the clear blue sea, luxury yachts at anchor in the harbour . . . you could be on the Mediterranean," claims Torquay's guide book, which with Paignton and Brixham form the Borough of Torbay. Well—agreed, although the skies could be bluer, and the sea warmer. But yachts of all sizes can be seen around the coves, palm trees shade the public parks and gardens, and the sands are as white as any in the South of France, even if the beaches aren't topless.

Englishmen returning from the grand tour were inspired to build houses in imitation of Mediterranean villas, and although many remain, one has only to walk up the hills behind the Imperial Hotel and Torbay harbour to see the numerous apartment blocks that have replaced the grand private houses at the top of Lincombe Hill. Lyncombe Crescent stands in place of Halden Manor House, and is a pleasing curved block with stepped terraces, set in pine woods with terrific sea views. All the flats sold quickly, and re-sales are starting to come up. Currently on offer at £25,750 through the agents, Bettesworth's, 29 and 30 Fleet Street, Torquay, is flat 1, with two bedrooms, two bathrooms, wide balconied living-room, and garage.

Bettesworths are also handling a holiday home complex in a sea and country sun-trap setting at Sladnor Park, a 50-acre private estate at Maidencombe, within walking distance of the bearch. Sladnor Park manor house still stands, converted to holiday flatlets, while 15 two bedroom chalets, built in 1970, are being offered for sale fully furnished at £8,850 each on 99-year leases with a £200 annual ground rent for the first five years.

This includes the use of amenities such as heated swimming-pool, restaurant and so on, and a management service looks after the renting for you, taking on the chores of cleaning, laundry, repairs, etc. Illustrated leaflet from Barney Bettesworth, telephone 0803 (Torquay) 28171.

In North Devon an attractive family or retirement home is The Old Rectory, Ashford, Barnstaple, whose history has been traced back through the parish register to 1732. The Rev. J. Blackmore, rector of Ashford in 1845, lived there for 13 years, and his son, novelist R. D. Blackmore (1825-1900) immortalised the area in Lorna Doone some 11 years later.

The rectory remained in Church of England ownership until the 1930s, when it was bought by Dr. John Winter, who has now put it on the market at an asking price of £50,000. For the money you get 5 bedrooms, 3 living rooms, bathroom, shower-room, and an adjoining old stone and cob cottage at the moment used as a garage workshop with bedroom and storeroom above. The pretty one-third acre gardens include fig and fir trees, magnolias and roses. Illustrated brochure from Graham G. Harrison, John C. Webber and Son, Bristol and West House, Boutport Street, Barnstaple.

John Wood and Co., 94 High Street, Honiton, are offering what they claim as the oldest pair of semi-detached cottages in Honiton, with detailed plans for improvement. The price guide is £8,000 to £12,000 each, and if they do not sell privately they are being put to auction.

If you cannot find the place you want, Devon Country Cottages offer their house-hunting services from the Old Forge, Lower Thorndon, Bridestowe, telephone 983-786 229.

Fox and Sons, with offices in Exeter, Tiverton and Teignmouth, have a varied selection of houses and cottages in the area, including a handsome detached, 4 bedroom, 2 bathroom country house in Dartmoor National Park, with pretty old English style gardens bordering on the River Taw.

(Photograph Trevor Kenyon)

Luxury villa off the sea road at Cap d'Antibes on the French Riviera has a large swimming-pool and separate three-bedroom and bathroom wing tucked away off the patio and barbecue area, specially designed for the owner's three youngsters. Full details Stuart Clair-Baldock, Montpelier International Properties, 10-Avenue de Liberation, Antibes, or Wendy Stewart Robinson at their London office, 17 Montpelier Street, SW7.

Trewinnard House, Perran-on-Worthal, in two acres near Truro and Falmouth on the Cornish Riviera, has five bedrooms, four living-rooms, billiard room, two greenhouses, grass tennis court, swimming pool, sauna, barbecue and various other refinements for sophisticated living. Miller and Company of Truro and John German Ralph Pay are asking in the region of £96,500.

. . . and French

The new Berlitz travel guide French Riviera (Cassell 95p), calls the Côte d'Azur the world's dream spot. "Storied, chronicled, painted, photographed, it probably has more aura and more money than any other seacoast." It also points out that it could also be called the French gold coast, with soaring real estate prices and cost-of-living among the world's highest.

Residential development has done much to alter the face of the French Riviera too, with giant apartment blocks looming up all along the busy coast road from Nice to Monte Carlo. But if togetherness is what you like, then it is in some of these blocks that you can find the bargain buys: For instance in the ever-growing Cannes Marina, a chambre individuelle, literally just a room with a bath, but very elegantly done, can be bought for around £10,000. It is intended as a place to recover your strength in after a day out in your boat.

Stuart St. Clair Baldock of Montpeller International, 10 Avenue Liberation, Antibes, or their London office, 17 Montpelier Street, SW7 will send details of these and other more pricey apartments and grander villas.

I saw a whole selection of varied property last week, and to sample the luxury Riviera life-style I stayed in one of the beautifully furnished villas and *bastides* attached to the magnificent *Chateau de la Domaine St. Martin*, tucked away in the peaceful seclusion of the hills behind Vence, a short drive from Nice and Cannes. Once the private home of the Genève family, to whom it still belongs, the château makes a perfect base for a property tour, as I was able to make my way to the coast each day to see what was on offer, and return to gather new strength through the delights of the St. Martin *gourmet* cooking. (Details from Mlle. Andrée Brunel, director, Château Saint Martin, Route de Coursegoules, 06140 Vence, or Kate Kelly, 27 Waldon Point, St. Lukes Road South, Torquay.)

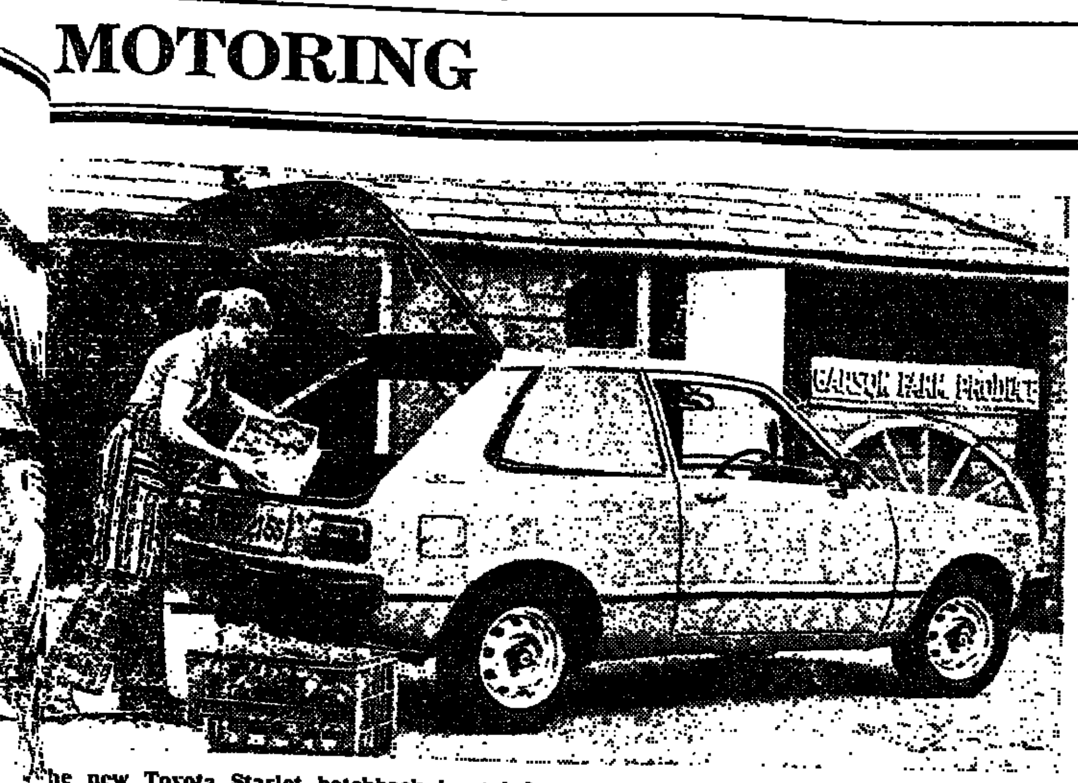
Port Grimaud is still the most atmospheric of the marinas, with its Venice-like ambiance, the gardens of the three-storey terraced houses backing on to the water where you tie up your boat. At £80,000 or so they have nearly doubled in price over the past two years, yet still they are being built, with a mix of nationalities buying. One occupant confided that in addition to the obvious attractions of waterside living, the appeal was in having a holiday home with such good investment potential.

As yet Middle Eastern interest among the South of France holiday resorts is fairly negligible, mainly concentrated on the more glamorous casino areas. But a property contact for Eastern interests told me he considered that buyers might well be interested in buying a group of units, particularly in the more secluded areas where privacy and security would be no problem.

I also called on Ian and Madeline Williams, whom I originally met in the Dordogne some years back when they were in the property business there. They are selling the luxury villa they live in now, *Castel du Cap*, just off the sea road at Antibes, which they told me was once lived in by Trafalgar House chairman Nigel Broackes.

But this is prime *Cap* property with enormous appeal for the top people—you can look out of the window and see where the owner of Paris' top restaurant, the Tour d'Argent stays, the Kennedys used to have a place up the road, and David Niven is but one of the film-stars who value the charms of the Riviera behind the vanilla-walled Villa Scoglietto on nearby Cap Ferrat.

MOTORING



The new Toyota Starlet hatchback is styled like a European car and is the first rear-drive family model from Japan to have sharply accurate rack-and-pinion steering. It is practical as well as nice looking. The rear sill is not too high for a dog to jump over and the back seats fold down individually to increase load carrying space. The one-litre engine runs sweetly on three-star and high gearing makes 70 mph pleasantly relaxed on the motorway and puts 40 mpg within reach on a run.

Performance-minded owners might like a bit more urge but, given time, the Starlet will top 90 mph. The controls are light to the point of delicacy, the ride less knobbly than that of the average small Japanese car and noise levels are unusually low. The three-door Starlet costs £2,721, the five-door £2,808. Prices include a radio and one of the best fresh-air ventilation systems in a car of its class.

The Jaguar questions

BY STUART MARSHALL

JAGUARS are sleek, silent, status symbols—but are they reliable in business use? That is the question I asked four weeks ago after test driving the XJ 3.4 manual. The letters are still rolling in.

Nearly half of them have been from company chairmen or managing directors; virtually every one has been from a business motorist. Which is, of course, hardly surprising. Who can afford to run a £10,000 motor car on taxed income nowadays?

Experiences have ranged from "nothing ever goes right" to "nothing ever goes wrong" but it is pleasing to report that the disgruntled Jaguar owners have been outnumbered by satisfied (or at least fairly satisfied) ones.

The breakdown of what must be admitted as a totally unscientific sample is 40 per cent satisfied, 30 per cent dissatisfied and those others who in general love Jaguars but note, more in sorrow than anger, that they have had more than their fair share of minor aggravations. This view was crystallised by a London owner who likened running a Jag to keeping a beautiful but disloyal mistres.

Another dedicated Jaguar man, Mr. Barrie Quilliam, of Sale, Cheshire, who is now on his fourth such car in eight years, listed a multitude of (mostly) minor problems. He spoke for several other correspondents when he said he would continue to buy Jaguars "because their merits outweighed their disadvantages." With a triumph of hope over experience, he still expected each new car to be different from the last.

Mr. J. F. Lloyd and Mr. A. C. Firth, both MDs of Midlands engineering companies and Jaguar drivers of long standing, wrote of trouble-free motoring over high mileages for years past. M. P. F. Steadman, chairman of a Bristol electrical manufacturing firm, reported 40,000 fairly hard driven miles in an XJ 3.4 bought last February, with nothing worse than a broken catch on the locker between the front seats to show for it.

Revealing the other side of the coin, Mr. K. Ashcroft, of Harrogate (four Jags since 1971) said all of them had been unreliable and his present XJ 4.2 had twice stranded him with major fuel problems. Mr. A. D. Kilby, of Little Waltham, Essex, listed 29 faults ranging from excessive wind noise round the front doors to propeller shaft misalignment on his XJ 4.2, new last March. Like several other readers, he complained that unreliability had been exaggerated by incompetence within the service network.

Mr. C. R. L. Child, MD of a Midlands civil engineering contractor, said that he and his partner had each had three Daimlers (they are Jaguars with crinkly radiators) in the last few years and only one of the six had given any degree of reliability. And that one was being sold at two years old having just had a new automatic transmission.

On the positive side, several readers claimed to have detected an improvement in quality over the past year. Another reader congratulated himself on having taken out a second year of Supercover. It brought him a free replacement engine at 37,000 miles quickly and without argument after a broken valve had wrecked the original one on the motorway.

Dr. E. C. B. Corlett wrote from the Isle of Man suggesting that his 70,000 miles of total reliability from a 1970 XJ6 might have been due in part to sensible use. "Much depends on how cars are looked after . . . and whether the person driving them has any concept of how to treat a mechanism intelligently." It's a thought with which many a harassed service manager would agree.

The letter I was surprised not to receive was the one from *a former Jaguar owner claiming* to have solved all his reliability problems by selling the car and buying a Mercedes. But I had several from Jaguar enthusiasts claiming knowledge of costly German imports, and even a Rolls-Royce Silver Shadow, that had suffered untold mechanical traumas.

And my own view, distilled from reading dozens of readers' letters? That Jaguar reliability is not as bad as it is sometimes painted, even if an inexcusable number of "Friday afternoon" cars seem to have reached the showrooms.

St. Andrews: a feast of a finale

GOLF

BEN WRIGHT

THE MOST marvellous imaginable climax is in prospect today in the 107th Open Championship over the Old Course at St. Andrews. It is a situation that could not have been better designed by a top-class dramatist. The leaders overnight are the defending champion, Tom Watson (73, 68, 70) and the British No. 1 Peter Oosterhuis (73, 70, 69), who are both at five under par 211.

If that isn't piquant enough, the four players sharing third place are Jack Nicklaus (71, 72, 69) and his similarly blond young countryman from the United States, Ben Crenshaw (70, 69, 72), a fervent golf historian who would like nothing better than to win at "headquarters." New Zealander Simon Owen (70, 75, 67), and the tall Japanese Isao Aoki (68, 71, 73). These four are all at four under par 212.

To enrich still further this embarrassment of riches, the new young hope of British golf, Nick Faldo, comes next in a quartet at three under par 213 that also includes three ominously competent Americans, Tom Weiskopf, the 1973 champion, Tom Kite and John Schroeder.

Even more marvellous, perhaps, than all of the previously mentioned, Peter Thomson from Australia, five times our Open champion, is still in with a realistic chance at two under par 214, alongside his countryman, who is striving mightily to take over his mantle of greatness, Bob Shearer.

The only other players under par are at one under 215, and there are six: Hubert Green, who took 67 yesterday to offset his horrific first round of 78 that only enabled him to squeeze into the latter stages of the championship on the qualifying limit of 148, his American countrymen, Ray Floyd and Bob Byman, South Africa's Dale Hayes, Spain's Seve Ballesteros, and England's little Guy Hunt.

To start at the top in a day that contained an abundance of thrills to excite yet another huge crowd bathed in sunshine that was tempered by a breeze that became a significant wind in the face as the players stepped to the 13th tee, Watson made the most fortuitous start. Believe it or not, his second shot to the first green bounced over the Swilcan Burn that was to trap fatally the shots of both Thomson and Ballesteros of those in contention. The defending champion immediately dropped a shot at the second hole, where he came up short of the green and putted 12 feet past the hole.

But thereafter this most engaging young man was in commanding form. H emade only one mistake, which may be regarded this evening as the most productive shank in history. Watson came up short of the 17th green in front of the Road Bunker at this wicked 461-yards hole, which if it has not done so already, will almost certainly decide the championship this evening. One presumes that Watson was trying to cut up the ball, but he succeeded only in shanking it to the right of the bunker, and the bank took all pace off the ball and prevented it from going onto the dreaded road, on which Ballesteros was to destroy himself some half an hour later.

In between times, Watson holed two monstrous 50-feet putts to make birdies at the fifth and eighth holes, and rolled in two 20-footers at the 12th and 13th for his third and fourth birdies of the round.

Oosterhuis can seldom have played better, and there was nothing wayward about the tee-shots that have destroyed him at such junctures in the past. He holed from 30 and 20 feet for birdies at the fourth and fifth holes, to be out in 34, and thereafter only made two suggestions of a mistake. He got away with the second in as magical a manner as was Watson to do at the 17th.

Oosterhuis reckoned that he could drive the green at the 342-yards tenth hole, but hit his tee-shot in the heel and *had to be satisfied with a par* four. His lucky break came at the 316-yards 12th hole, where he threw an eight-iron second shot clean over the green. The chip back was miserably thin and was scudding clean across the green when it cannoned into the pin and stopped two feet away to allow the big fellow to get out with a par.

Crenshaw started shakily, particularly for him, since he is renowned as the best putter in the world. He took three putts on each of the third and fourth greens to drop strokes, but made up, as did most players, with an easy birdie at the 564-yards fifth played downwind.

After that he was commendably solid until he, too, made a miraculous escape at the 16th. His second shot was so close to the out-of-bounds fence on the right of the green that he could only chop hopefully at the ball. He did so to remarkably good effect and holed out from five feet for a masterful par.

Owen, who made up so much ground with the equal best score of the championship, had the worst of the conditions in early afternoon and still managed to fashion a wonderful inward half of 33, the best of the day. In addition, Owen *made six consecutive three's* from the seventh hole onwards. To give some indication of the strength of the wind, Owen hit a good drive at the 576-yard 14th, a rather indifferent second with his three-wood and then had to take a three-iron for his third, holing from 15 feet for the last of his six birdies.

Nicklaus said to himself: "Here we go again." when he missed a 12-foot birdie putt on the first green—this has been the pattern of his play throughout the championships—during which he has created perhaps more easy birdie opportunities than anyone in the field.

But the great man got in a putt of less than a yard for a birdie at the second, and was on his much more merry way.

Pace of change

CRICKET

TREVOR BAILEY

BETWEEN 1860 and 1960 cricket saw many changes. W. G. Grace completely reorganised the whole technique of batting. Over-arm gradually replaced round-arm and lob bowling as the main form of attack. The googly was discovered, swing was harnessed and tactics inevitably changed in the eternal battle between bat and ball

The lbw law was altered on several occasions with results very different from those intended, and Bodyline was invented to reduce the effectiveness of Sir Donald Bradman, underlining that there is nothing new about calculated intimidation by pace bowlers. Two world wars and a major social revolution killed the amateur, while limited overs matches and sponsorship arrived to rescue a game which had never been financially viable as a professional sport.

All these changes were circumstantial rather than fundamental. The basic equipment —the willow bat, the hand-stitched leather ball, the stumps, the pads and the gloves —had not altered much since the second half of the last century.

The stumps had become a shade wider and higher, the pads no longer had vents at the front and, like the gloves, provided more protection. A batsman or a bowler of the 1960s was in fact able to make runs or take wickets with a 19th century bat or ball. The former would probably have had a long handle and would have been more rigid than the modern equivalent, but the shape was very similar.

Things are very different now. Something approaching a revolution has occurred in the shape and composition of cricket equipment, so that we now have odd-looking bats, really lightweight pads, mitten-like batting gloves and even crash helmets. In turn it is likely that the conservative white clothing still worn by players will follow the lead of tennis and become more trendy, for next winter colourful clothes will be seen in the Packer world series.

The bat manufacturers have recently introduced a number that are shaped differently from those used by Grace, Hobbs, Trumper, Hammond, Bradman, Hutton and Sobers. The reason for this was initially due to television.

When cricketers first appeared in front of TV cameras it was difficult, indeed frequently impossible, to pick out the make of bat, but the manufacturers quickly realised the opportunity of advertising both name and product without having to buy space on the screen. The inevitable outcome was that markings increased enormously in size and colour, so that they are now so easy to identify.

The logical development was a bat with an unmistakable shape or colour. The latter was tried, but outlawed by the game's administrators. However, a differently shaped bat, though with the same width of blade, conveniently fitted in with the trend of county players towards heavier bats. An increasing number were moving from those weighing around 2lb 3oz to those weighing about 2lb 8oz. Although they wanted the extra weight they still demanded the same feel in the "pick up."

The manufacturers solved the problem by giving their new bats a larger striking area. Formerly, to obtain maximum power, it was necessary to hit the ball in the middle of the drive. This presented few problems to great players like Wally Hammond, who would never have been interested in larger striking areas, but they do assist the less accomplished.

In addition to re-shaping the backs of bats to redistribute the weight and increase driving potential, the manufacturers have improved their quality and life by special treatments. As a result a high percentage, as well as looking white because of bleaching, no longer need to be oiled, or knocked in, before being used in the middle. A damp rag will now clean the blade and a protective coating is especially valuable against some of those imported cannon balls masquerading as cricket balls.

Ray East, the funniest man in first-class cricket and the Essex Beneficiary surrounded by samples of the design revolution and price explosion in cricket equipment.

The price of cricket equipment has escalated fast. In the case of the bat this is somewhat surprising, even a top-grade cleft, which one bought for about £1 five years ago, now costs £4.60. One of the reasons is that manufacturing and marketing costs have risen dramatically. It is now necessary to pay county cricketers for simply using a particular bat in first-class cricket without necessarily having their autograph displayed on the product.

The expense of cricket can be seen from these quoted retail prices, though according to one leading manufacturer they will be even higher next year, with top-grade bats costing more than £40.

Hunting prix

MOTOR RACING

JOHN GRIFFITHS

SIX YEARS have passed since Colin Chapman's Lotus organisation has been able to deliver a "home" Grand Prix motor racing win to its principal sponsor, John Player. The tobacco companies are increasingly hemmed in by anti-tobacco sponsorship legislation in Europe, and in Britain, by the voluntary code of practice agreed with the Government last year. Since this means that the name John Player will be entirely absent from Lotus cars in Britain, speculation was mounting earlier this year that the Nottingham tobacco company was at last thinking about ending one of the longest-lasting—it spans a decade—and most successful motor racing partnership in Britain.

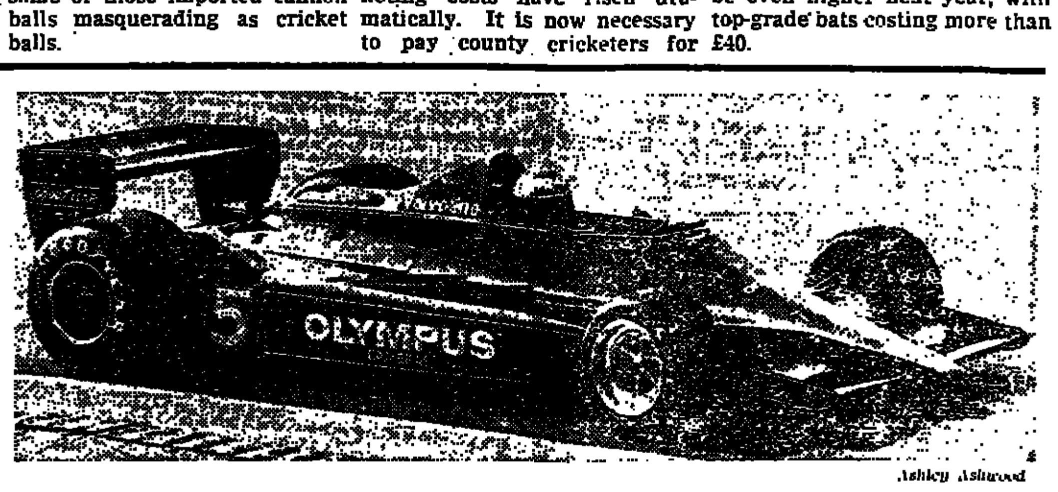
Fuel was added to the fire when, at the Spanish grand prix in June, the name of Olympus Cameras appeared emblazoned on the black and gold paintwork of the sleek Lotus 79s—a livery which has come to be synonymous with Players.

But despite the growing hedge of tobacco company problems, it is clear that John Player will now think long and hard before ending its association with Lotus when its current three-year agreement with the Norwich-based team runs out at the end of this season.

For when the grid lines up for the start of the British Grand Prix at Brands Hatch on Sunday, it is virtually certain that the rest of the field will be hard-pressed just to stay in sight of the flying Lotuses. The Chapman cars started the season well, but have had no less than three 1-2 victories in the last four races. Although there are still seven events, including the British GP, left on the world championship calendar. Lotus's drivers, American Mario Andretti and Swede Ronnie Peterson, have already established a daunting lead: Andretti, with 45 points, is nine points ahead of team-mate Petersen and a clear 20 points from the nearest non-Lotus challenger, the Parmalat-sponsored Brabham of world champion Niki Lauda.

For Lotus, it is a highly satisfying climb back out of a trough which, at its low point in 1975, saw the team floundering when cars were rendered uncompetitive after production ceased of the tyres around which they were designed.

None of this has been lost on Players, which apart from the £700,000 or so it is spending with Lotus this year, is putting up a substantial chunk of the £350,000 it is costing to stage Sunday's Grand Prix.



Ashley Ashwood

Mario Andretti in his JPS Mk 4 Lotus: on his way to the title ?

Judging from one company official's reaction to this latest upsurge in the team's fortunes —"quite simply, it's fantastic" —it seems probable rather than possible that Colin Chapman will not have to devote great time and energy this winter to finding the now appallingly large sums of money necessary to keep a two-car Formula One team going.

Even so, there are limits. And they explain the appearance of the Olympus name on the Lotuses. Costs have escalated to the point where even Players' finances are not enough. Chapman's need for a financial top-up coincided with the disillusionment of the Japanese company Olympus's European operation at its first venture into Formula One sponsorship, with Lord Hesketh's organisation at the start of this year. Olympus and Hesketh parted by mutual agreement and the bulk of Olympus' reported £200,000 plus investment was diverted to Lotus.

The overall future of the tobacco companies in the sport, notably Philip Morris (which includes Marlboro) and the French manufacturers of Gitanes, is not yet clear. Outright tobacco advertising bans proposed in Sweden and France similar to that already enforced in West Germany — where the racing teams have to cover up the cigarette name on cars, transporters, even mechanics' overalls—are, for the moment at least, in abeyance. But next year Marlboro's name, too, will disappear from its cars in Britain, and with tighter regulation rather than relaxation almost inevitable in the longer-term, the arrival on the scene this year of new blood in two forms—of Saudi Arabian finance and Renault as a competing volume manufacturer—can only be welcome.

The Saudi involvement takes the form of backing worth several hundred thousand pounds from Saudi Arabian Airlines (Saudia) for Britain's Frank Williams Grand Prix team. This year, in the hands of 32-year-old Australian Alan Jones, the diminutive Saudia-Williams car has displayed potential far beyond the five points obtained in the championship.

And last week, Williams announced that there would be a two-car team for 1979. Saudia's involvement may well serve as a catalyst for other Middle East interest in grand prix—the Saudis are reported well satisfied with the project — and the consequences for the sport could prove interesting.

Potentially the biggest impact on grand prix, however, next year if not this, is the arrival of Renault.

The first Renault Formula One Car made its debut at last year's British Grand Prix and was radical in having a turbo-charged engine. But with a long-held Renault ambition to win outright the Le Mans 24-hour race taking precedence, the solitary Formula One car has never been placed higher than 10th. Now, with Le Mans won and reliability wrought at last from the initially temperamental turbo-engine, state-owned Renault is to turn its full attention to the Formula One programme—and is spending over £2m in doing so.

The strongest challenge to the Lotuses in Sunday's grand prix, however, is likely to come from Lauda's Brabham. Lotus's own cars have a built-in "ground" effect, in which aerofoils and deep "skirts" create a vacuum under the car, sucking it to the ground. This has helped give the cars an edge over their opponents, but nothing like that obtained by a huge "vacuum-cleaner" fan sprouting on Lauda's Brabham at the Swedish Grand Prix a month ago and which allowed Lauda to leave the rest of the field standing. But the fearful row that ensued saw the car immediately banned as illegal by the sport's governing body. Even without the fan, however, Lauda has consistently proved to be the man most capable of staying with the Lotuses.

As for James Hunt, it has been a fairly grim year, his McLaren having yielded him only eight championship points. But the car is basically competitive, as he amply demonstrated when he tailed the two Lotuses for much of the French Grand Prix two weeks ago, and on a home circuit he is almost certain to be among the front runners.

MOTOR CARS

TRAVEL

Manx sightseeing

Of cats and kippers

BY PAUL MARTIN

CONTRARY to the notion, still apparently prevalent on the continent, the Isle of Man is not just a rugged off-shore rock around which TT competitors race rapidly nor are its wide range of holiday facilities exclusively confined to the principal town and seaside resort of Douglas. While there are plenty of excursions both by boat and by coach, I would strongly recommend that you hire a car—weekend rates start at only £8.90 during the peak season—to drive gently along the delightful minor roads.

Inevitably, there are comparisons between the Isle of Man and the Channel Islands. While both enjoy a great measure of autonomy, their position in relation to the UK is not identical. Ever since the days of the first Viking settlers, the Isle of Man has never been part of the United Kingdom. As a self-governing dependency under the Crown—the Queen is also Lord of Man—it has its own parliament, Tynwald, which celebrates its millennium next year. *However*, sharing a Common Purse and a customs union with the mainland, it levies its own much lower taxes but VAT applies as in the UK.

From the holidaymakers' point of view cigarettes and drinks cost about the same as at home but hotel rates and meal prices are generally lower. They also brew their own excellent real ale and I only paid 27p a pint even in the leading hotels and restaurants.

There is plenty of accommodation in all price ranges, facing on to the expanse of a splendid bay. Few traffic lights, no parking metres and no traffic wardens! There is also a pleasant pedestrian precinct, running along behind the promenade, where the pubs and bars, open all day on weekdays but with restricted hours on summer Sundays, all go in for some kind of entertainment.

It is also a mini-paradise for transport buffs. You can drive along Sulby Straight and pick out the landmarks, including Douglas Corner and Greeba Bridge, along the TT course. Then take a horse-drawn tram up to where the electric railway runs along to Laxey and the Snaefell Mountain Railway which provides the only route to the 2,000 ft summit. During the summer months steam trains run over the 3 ft gauge single-track line from Douglas, through Castletown, down to *Port Erin in the extreme south*-west corner.

To the north of Douglas, Laxey, where the narrow entrance to the harbour reminded me of Cornwall, has the *massive* Laxey wheel, originally built to pump water from the local lead mines and the largest waterwheel in Europe.

One of the most attractive roads back to Douglas takes you through the broad Sulby Glen, *following* the course of the little river. The glens, all with individual names and varying in size, are a great feature of the landscape and, at Silverdale, there is a baby brother of the Laxey wheel where water power still operates the childrens' roundabouts close to a small artificial lake at the entrance to the glen.

At a time when there is increasing emphasis on self-catering, there is a model development at Groudle Glen, a purpose-built holiday village near the coast and close to Douglas. Peak season prices until September 2 are £95 a week for a cottage sleeping six, but this drops to £30 after October 7. Maid service is included as is all linen except towels. Some traditional Manx cottages can also be hired through Mylchreests, who also arrange car hire.

On my own short visit, I stayed at the Palace Hotel, which offers free entrance to its own casino, licensed until 5 am, and to the adjoining "Whispers" nightclub.

Details of inclusive holidays can be obtained from the IoM-based Golden Isle and from Herald Holidays operated in conjunction with BIA.

It took me just 90 minutes to reach the island on a DanAir *HS748 from Gatwick, and they* also operate scheduled summer services from ten other UK airports.

Your Weekend £: Austria 27.50; Belgium 61; France 8.26; Italy 1,565; Greece 66.25; Spain 142.75; Switzerland 3.50; U.S. 1.89. Source: Thomas Cook.

Addresses: Dan Air Services, 21/24 Cockspur Street, London SW1Y 5BN. Golden Isle Holidays, Central Promenade, Douglas, IoM. Groudle Glen Cottages, Groudle Glen, Douglas IoM. Herald Holidays, 111 East Street, Southampton S01 1HD. Isle of Man Tourist Board, 13 Victoria Street, Douglas, IoM. Mylchreests Rent-a-car (and cottages), Circular Road, Douglas, IoM. Palace Hotel, Promenade, Douglas, IoM.

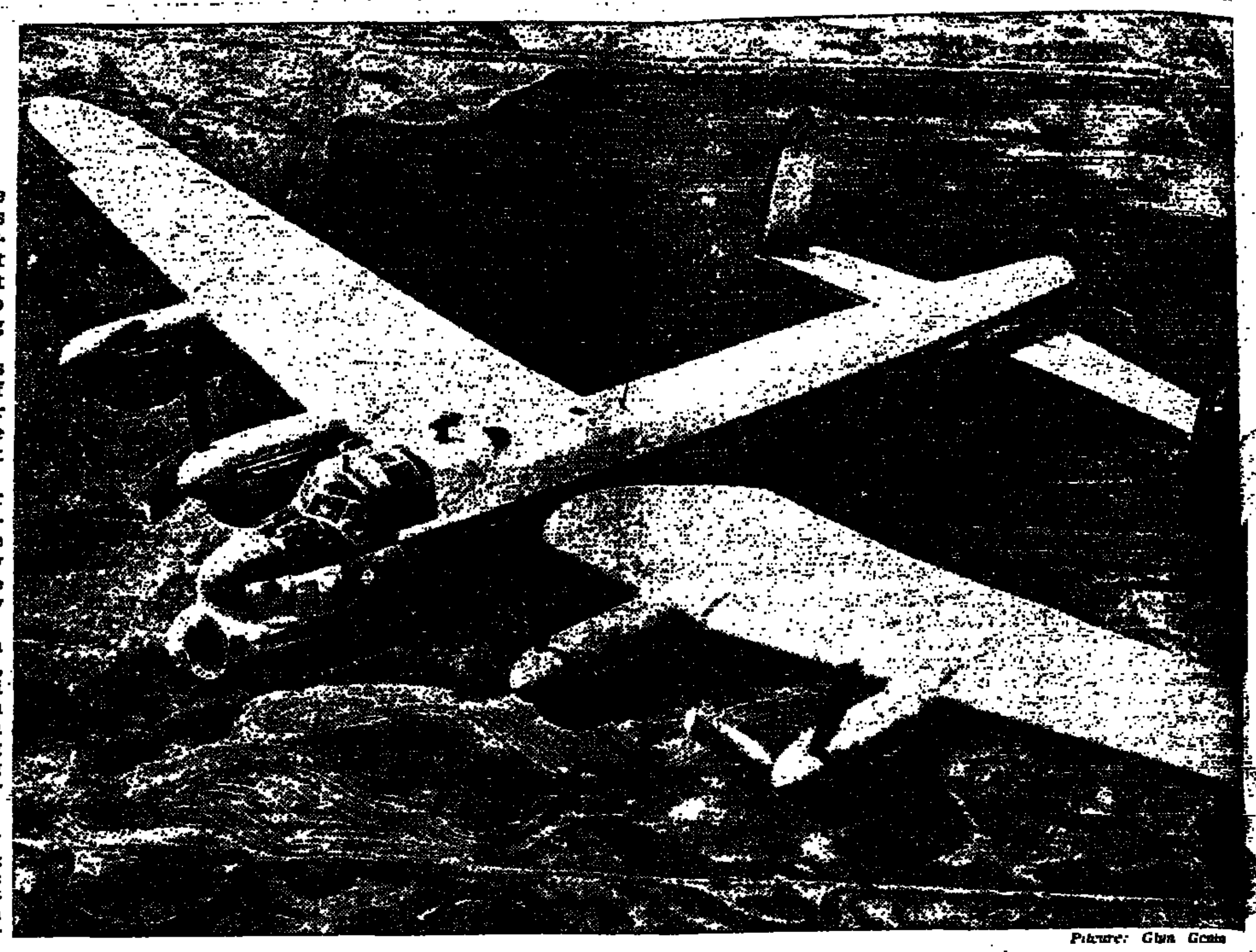
Tartan airforce

IF YOU are taking a turn at the golf on one of Gleneagles championship courses this weekend, your concentration might just be interrupted by the sight and sound of World War Two fighters and bombers wheeling overhead.

The five-star hotel's courses are within a couple of miles of Strathallan Castle, seat of Sir *William* Roberts, Bt., and *home* of his Strathallan Aircraft Collection.

Starting today, some of Sir William's forty strong assortment of military and vintage civil aircraft will be joined by such notable visitors as the RAF's Red Arrows in a two-day display.

Sir William, and his collection manager, Raymond Richardson, have salvaged aircraft from all over the world. A Hudson in Australia, a Lancaster in Canada. All of which are being painstakingly restored to flying condition and authentic colour schemes.



Picture: Glyn Genin

Sir William's Avro Lancaster. Built in Toronto in 1943, the aircraft was recovered from an Edmonton cornfield three years ago. It may soon be restored to its original Bomber Command colours.

Ways with weeds

GARDENING

ARTHUR HELLYER

RECENTLY I revisited a garden which I had for long considered an outstandingly fine example of the intelligent use of ground cover. To my surprise it was in disarray, many of its carpeting plants dead and most of the remainder heavily infested with large perennial weeds. I dare say the trouble had started during the dry summer of 1976 which may well have killed some plants outright, and so weakened others that they either died later or offered little protection against seedling weeds.

Whatever the explanation it was a sharp reminder that permanent ground cover is not the answer to all weed problems in the ornamental gardens and that it can actually bring fresh difficulties of its own. For what, in these circumstances, were the owners to do? The answer was more obvious where the plants were actually dead and in need of immediate replacement, than where they were still living but sharing the ground with weeds.

Herbicides were out of the question here and so was hoeing or surface cultivation of any kind. Some of the weeds could *probably* be pulled out but not the tap rooted docks and thistles nor the tangled nettles. To dig these out of the matted stems of ground cover seemed a terrifyingly laborious and time consuming job. I came to the conclusion that, were it my problem, I would dig up the lot and replant completely after making quite certain that every weed root was dead.

Not far away was another garden in which plants used to grow with such luxuriance that, though more had been planted specifically for ground cover, the effect was similar since they stood so closely, shoulder to shoulder, even intermingling with one another in some places, that little soil was to be seen an there was scant room for weeds. I notice that nowadays a good many garden experts call this kind of planting "ground cover" though it is not what I mean by that term. Still it does have much the same effect and it has the added merit that the plants both protect and support each other. Where plants are growing so close together there is not much room for them to fall down.

This second garden had changed ownership and the comers, a public body, had given the whole garden such a drastic thinning out that I scarcely recognised it. To make matters worse the weather had been dry, there had been a lot of wind and most things looked miserable. I am certain that the majority of plants hate to grow in this way. Certainly they rarely do in nature except in desert places and on mountains where there are special reasons for it and they have adapted themselves to the conditions. As I travel around I see a great many gardens which are spoiled by sparse planting and I do not think I am biased in thinking that most of them are publicly owned.

Perhaps there is something about the reasoning of civil servants and municipal employees which makes them favour keeping everything firmly in its place and not allowing one plant to intermingle with another.

At this point some reader will surely complain that I cannot have it both ways; that one moment I am criticising the use of ground cover and the next complaining that plants are not allowed to cover the ground sufficiently densely. I do not see it that way for it is not the close cover that bothers me but the method of achieving it and the false hopes which it sometimes arouses.

Periwinkles, for example, are magnificent carpeting plants, particularly the numerous varieties of the Lesser Periwinkles, *Vinca minor*, but once they have fully covered the ground with their creeping stems, which can root at every joint, it is a desperate job to get out any weeds that are growing among them. I know because I have been struggling to remove creeping buttercups and that lovely but obnoxious pest *Allium triquetrum* from just such a tangled mat.

Another popular ground cover plant is the variegated form of the yellow Archangel, *Lamium galeobdolon varigarum*, but it is a plant that must be kept vigorously in order. It is capable of running several yards in as many weeks and can easily smother anything in its path. Worse than that, if it meets any suitable support, it immediately starts to climb and, if the support is a small shrub, it too will disappear rapidly into the silver and green envelope. At its best when fairly frequently clipped an instantly checked if it exceed its limits.

Far better as ground cove in small gardens are the clos carpeters such as the *acaena* in all their numerous specie some green, some grey, som bronze; perennial *cotula*, *are arias*, *ajugas*, particularly Bu gundy, Multicolor and Variegat *prunella* mossy saxifrages an the mat forming alpine phloxe prostrate thymes, golden leave *marjorum*, and many of th small violas.

In sunny places heather ca be useful, especially those kind with yellow or coppery orang foliage such as *Calluna vulgari* Gold Haze and *Erica cinere* Golden Drop, and the very pros trate kinds such as Callun vulgaris Foxii.

In shade *Tiarella cordifoli* can be delightful and no trouble at all, a plant like a nea heuchera with short plumes o fluffy white flowers. The variegated London Pride, Saxifrage *umbrosa variegata*, also likes shade and has very bright gold and green foliage that will light up any dull corner.

Bags and baggage

FASHION

ARTHUR SANDLES

THERE IS NO doubt that this is a fine time of the year if you are looking for a cheap line in washing machines, a new bed for the spare room, or want some second quality china to stock the bed-sit of some departing daughter—but otherwise sales time is normally a good time to stay at home.

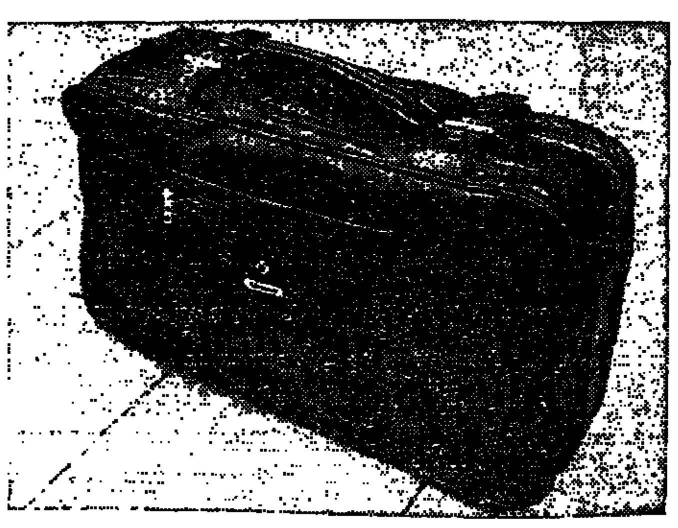
This is more of a confession of sales failure than some form of sartorial arrogance. While others somehow manage to plunge into the mid-summer (the mid-what?) melee and emerge with invaluable bargains, such is rarely my pleasure. Not that there is a lack of temptation. This year in particular the disastrous weather of the past couple of months has left the shops stacked high with summer clothing. If you are betting on a long hot August, or plotting a quick dash for warmer climes, then there are some bargains to be had. For me it will simply be a question of stocking up on such sales time goodies as socks and underpants—that way not too many people will see my mistakes.

Things to buy in the sales at the moment are those lighter summer things and perhaps basic knitwear. Things to avoid include kipper ties, long collared shirts, bell-bottomed jeans and chunky shoes.

Unavoidable for many of us at this time of year, however, is the purchase of luggage of some sort. Only a couple of weeks ago I seized a case from the garage which seemed in perfect condition a year ago to find it sagging gently in the middle. The phantom backbreaker had struck. Examination of a luggage departments in most stores revealed some depressing news—luggage is by and large both expensive and unattractive. Perhaps the first is just an illusion; produced by the fact that suitcases are an infrequent purchase and price rises over a decade or so. The second may be due to a tradition among the British that luggage should be unappealing. The blatant fashion consciousness and practicality of the Italians and Americans when it comes to bags is regarded by us as one of the less appealing aspects of their nature.

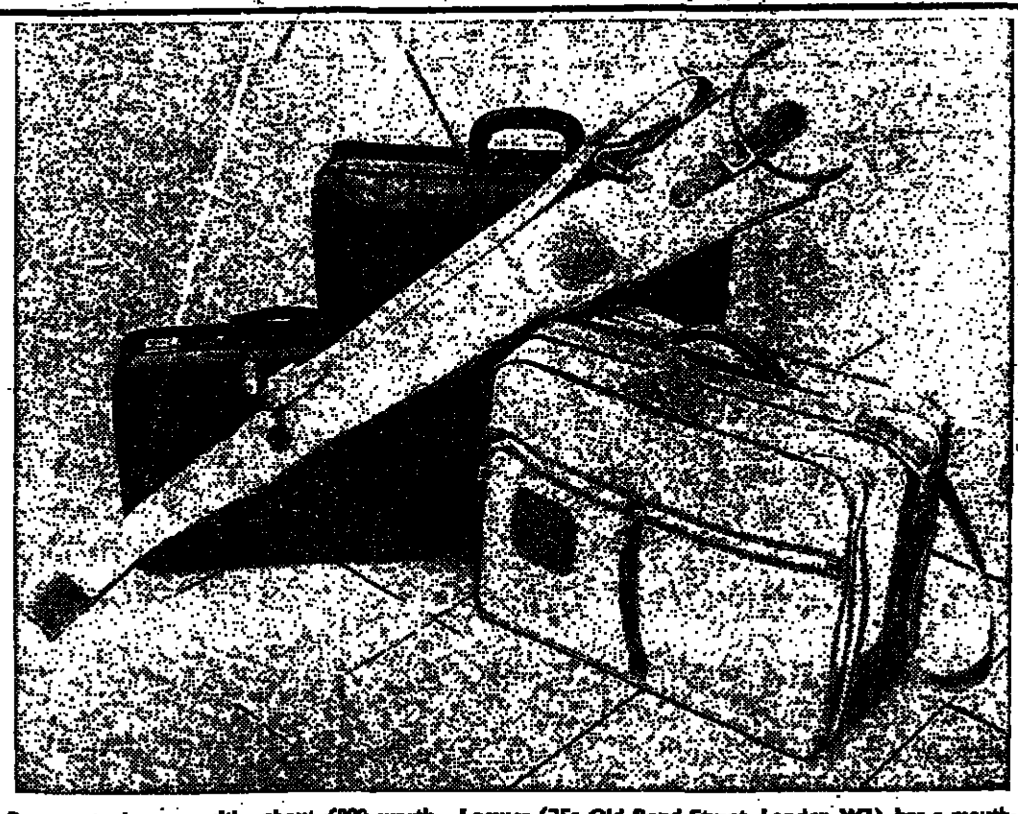
Whatever its looks, however, the main task of a bag is to carry things and in my book this means it should be tough, light and waterproof. Solid sided cases may be highly practical for some, but in my travels I tend to acquire mountains of paper and if the sides of the case do not flex a little I simply find myself having to buy another. Paper is extremely heavy and so the frame and handle must be able to bear considerable weight. Some months ago I toured the Samsonite Factory in Belgium and watched cases laden with weights being dropped and bounced around the company's test area. It is not the sort of treatment which many cases would survive, I suspect.

The roughest treatment bags are likely to get is from the baggage handling systems of airports. Beware of anything which scratches or tears easily, or has too many hooks and straps. Beware too of buying a "carry-on" case which is above the regulation size for taking onto jets. Although most airlines are sympathetic about bags there are occasional check-in girls or flight attendants who turn nasty. The European limit for a carry-on case is 45 cm x 35 cm x 20 cm (about 18 x 14 x 8) and even the lovable Samsonite have a case they call "Carry-On" which is nine centimetres longer than the limit. Check with your airline or travel agent about precise sizes of hold baggage. Normal practice in Europe is to have weight limits while within North America and on the Atlantic the numbers of cases count, regardless of the weight.



One of the nicer ranges of medium-priced luggage comes from Samsonite. Left (top) is largest in the Gentry line. Although called "Carry-On," it is marginally bigger than some airlines will accept—officially. Most will bend the rules. The Carry-On has a *recommended* price of £42 and the slightly smaller Bordcase costs £36.

In the lower picture show the soft-sided Malaga Explorer, which is designed to carry two suits plus necessary shirts and accessories (it comes with hangers). The Explorer sells for around £48 and the slightly smaller Pioneer in the same range costs £38. There are several other cases of varying sizes to match. Many stores stock Samsonite and you might find some in the current sales.



Baggage to impress with—about £800 worth. *Loewes (25a Old Bond Street, London W1) has a mouth-watering collection.* Discretely placed in the rear of the picture is a superb leather large suitcase designed to carry suits in style (£349), while the overnight bag, also in leather and the perfect present for the travel smitten executive, costs £145. In the foreground is the largest of a range of canvas/leather Loewes cases (£225 for this one). The gun case costs £89 but golf bags are available too. Loewes does mail order but my impression is that with such quality products the stock position on some lines may be limited—inquire first.

A chilly view

FISHING

JOHN CHERRINGTON

THE COOL almost cold weather of late June and early July, has ruined the evening rise on my part of the Test. The last hour of dusk has so far produced none of the excitement of a cloud of hatching flies, with trout going mad to seize them. Instead the river has merged bleakly into gloom without the faintest movement.

The best fishing I have had was one evening in rain, when a sprinkling of flies, I am never sure what they are, were drifting down the faster currents, bringing no more than an occasional steady rise. I say I don't know what the natural were, because I am sure the type of pheasant tail fly used only approximated to what was on the water.

In an hour my son and I sharing a rod, caught the limit of five brown trout averaging 1½ lb.

I have a definite theory about striking, that is in general fish hook themselves. This of course directly contradicts the great majority, who claim that the whole secret of catching a fish is to strike the hook home by tightening the line at some point after the rise is seen. Or, when fishing below the surface, at a point when the fish can be felt plucking at the fly or bait.

I am certain that by the time the rise has been seen or the pluck felt, the fish has either accepted the hook or spat it out. Very few human beings have reflexes which can match those of a fish, which in any case has the advantage of surprise. My reactions are so slow, that by the time I realise that a fish is attached to the fly, the line is taut and all I have to do is lift the rod gently, and control the amount of pressure.

Times without number, I have seen those of quick reactions, snatch the hook from a fish which would most certainly have been caught if it had been handled more gently. Once the fish is lightly hooked, very little pressure is needed to drive the hook home, the weight of the line on the water is probably enough. Lifting the rod to the vertical, which is, or should be, an instinctive reaction to a rise is to absorb the varying pulls on the line so that the pressure on the fish is always about the same.

A few nights later I was plodding up a beat in a state of general despondency. There was no fly, it was cold, and there seemed to be no prospect of a hatch. At the top of the beat is a pool fed by a fair head of water. In the old days it used to hold a few good fish, but I noticed, it was the first time I had been there this season, that someone had tried to improve it by placing a baffle in the current so dividing the stream. In the process ruining, what I used to think was the best lie.

I was gloomily composing in my mind a stern letter to the management about the foolishness of destroying lies which had held fish since time immemorial, when I decided to practice dropping a fly on the new stream to see how the current would take it. After two or three desultory casts I saw a fish take the fly, and following my usual precedure lifted the rod and eventually played the fish into the net.

It was a 4½ lb rainbow, and I caught a 2 lb brown trout a few minutes later in exactly the same way without seeing a rise or a fly on the water. There are *two morals to this story*. Although the purists may object, it is always worthwhile fishing over likely lies when all else fails to try and induce a fish to think there is a hatch.

When I took the larger fish out of the net the hook had fallen out of its mouth, which indicated that it had been very lightly hooked in the first place and violent striking would probably have lost it.

HOW TO SPEND IT

by Lucia van der Post

Would you believe, it's summer

[N]OBODY needs me to inform them that this [m]ust be just about the worst British summer [f]or years. My mother-in-law in the country [t]ells me that she's only used her swimming [p]ool twice; Wimbledon had rain almost every [d]ay. Apart from one golden week my [i]mpression of this summer is one of dank, [g]rey dampness. So the big female fashion [p]roblem is what on earth do you wear on [y]our feet when there may be downpours one moment and some sticky grey weather the next? Just how is the ordinary woman in the street coping? I asked our photographer, Ashley Ashwood, and Christine Burton, to find out one typical grey and damp Monday morning. They photographed at random in two of London's most elegant shopping streets. The results, I think, illustrate the problem.

If you only saw the photographs and were told they came from only one city I think most people would be quite bewildered as to which one it might be—anywhere from Athens to Vladivostock might seem to fit the bill. If you want to survive somewhat better than most of the subjects of our photographs did, you might take advantage of the many shoe sales currently on to buy at lower prices a full range of footwear, designed to cope with all the vagaries of that famed villain of the piece—the British weather.

SHOE sales are currently on all over the country and your local paper is the best guide to what's happening in local stores. Here are some of the dates of the shoe sales at the best of the London shops. In general, prices are between a ⅓ and ½ less than usual.

Already started:

Chelsea Cobbler at 164 Fulham Road, SW10, and 66 New Bond Street, W1.
Midas (for another 2 weeks) at 36, Hans Crescent, SW1, and 72, New Bond Street, W1. Sale shoes from £3 to £29.
Rayne, 152, Regent Street, W1. Sale lasts until mid-August.

Starting today:

Shoe departments in Harrods and Harvey Nichols of Knightsbridge, SW1, are a good place to find shoe bargains.
Harvey Nichols have Rayne shoes reduced from £41 to £24.50, Ferragamo classic walking shoes at £25 (from £44), and Amalfi sandals at £17.50 (from £25). Also Charles Jourdan après ski suede boots at £32 (from £49).
Harrods have reduced Rayne and Kurt Geiger shoes by a ⅓ to ½, and their own sandals are down from £12.50 to £6.

Starting soon:

Russell and Bromley—on the 22nd July for 3 weeks—at 24, New Bond Street, W1, 77 Brompton Road, SW3, 81, Knightsbridge, SW1, and all provincial branches. Lots of sandals and last autumn's boots. Canvas shoes from £5.99.


x appeal


Oh! my bunion


Strap happy


Destination Moscow ?


Can't wait to put me feet up


Straight-laced

A hint of Eastern Promise

[T]HOSE WHO are in touch with [t]he world of fashionable in[t]erior design have been saying [f]or some time that the soft, [p]retty, rustic look would soon [b]egin to give way to influence [f]rom the East (what we do with [a]ll our flowered wallpaper, our [s]tripped pine dressers and the [o]ther appurtenances of the [r]ustic look is, I suppose, our [p]roblem).

I don't think most people [w]ill change their homes [d]ramatically overnight, as this [i]s not how fashions in the home [h]appen. What I do expect to see [i]s a gradual change in emphasis, [a]way from the whole crowded, [p]retty, cluttered look towards a [m]ore sophisticated, refined and simpler use of line and colour.

These two pictures show a little of the changing mood. Below right is a collection of work by two girls who have put together an exhibition called "Co-ordinated Pots, Blinds and Cushions" for Atmosphere, a shop devoted to home accessories, at 148 Regents Park Road, London, NW1. The total look is very calm, very simple, very Eastern.

Alison White uses plain silk and silk and cotton combined for her very individual cushions. The motifs are then handpainted on to the silk sections. Alison White uses mainly soft pinks, greens, creams and yellows.

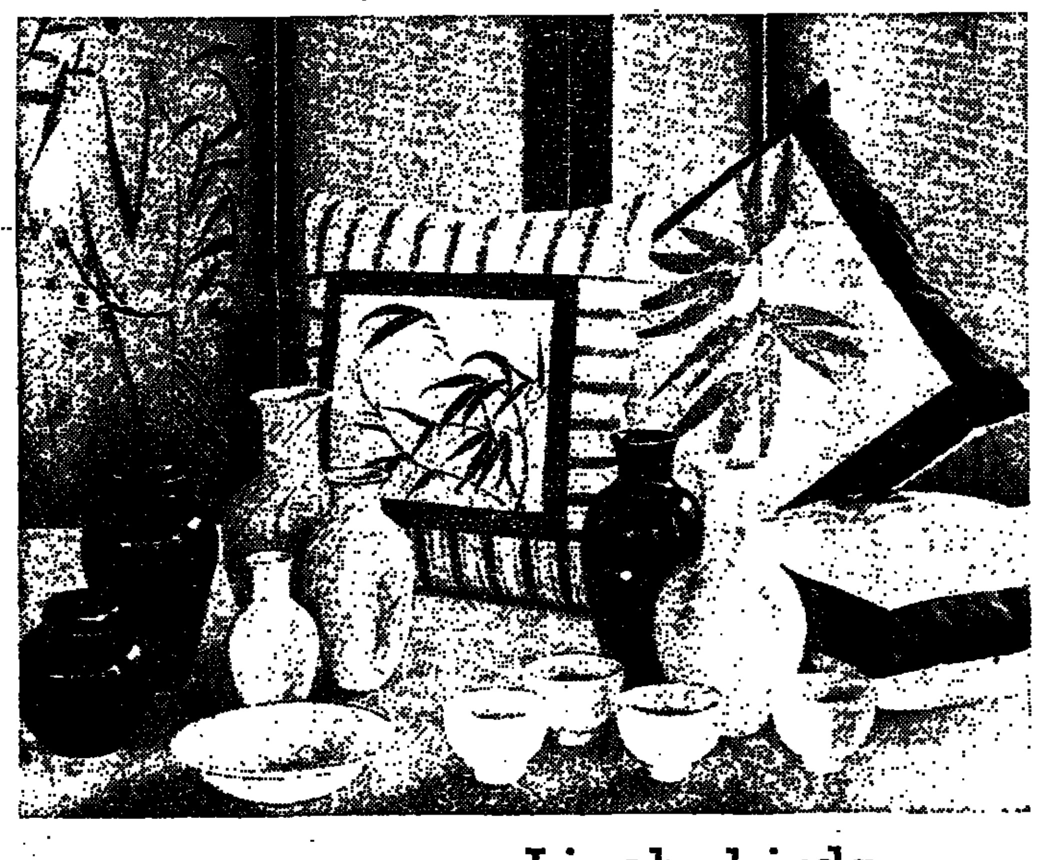
There are three main themes in her work—Japanese, Persian and geometric. Besides the cushions (the prices of which range from £12.75 to £24.00) she also makes screens and blinds with the same motiffs. One screen can be seen in the background of the picture—about 5 feet tall and about 5 feet wide, the frame is of black lacquered wood, the silk is handpainted in creams, blacks and browns; it costs about £200.

The porcelain pots are all by Christine Ann Richards and seem to me to have a very still, Oriental mood about them. There are several different glazes—white crackle, black, duck egg blue and matt white. Prices range from £6 to £25.

Below left shows how Osborne and Little, a company which is always close to the pulse, of 304, Kings Road, London SW3, sees the coming influences. They have just launched a brand new range of screen-printed wallpapers and fabrics. They have deliberately avoided "the current trend towards small 'background' prints and have produced a collection of bold and exotic designs in strong, vivid colours."

I dare say my sense of geography isn't very accurate but the overwhelming impression they convey to me is one of the East—but the East in its lusher, more vivid moods.

The range is on sale now at Osborne and Little itself but will be generally on sale at good quality decorating shops throughout the country from September. Wallpapers go from £9.50 to £17.50 while fabrics in 100 per cent cotton are £6.00 or £6.50 a metre.



Quilting to order

SOME readers may remember that I wrote about The Quiltery a year or so ago. Based in Norfolk (the exact address is The Quiltery, Tacolneston Hall, Norwich, Norfolk NR16 1DW) it has been in operation for about two years and the chief output is kits. Though there are many patchwork kits on the market those produced by The Quiltery are more unusual than most.

For instance you could make your own patchwork short apron, or waistcoat, tea-cosy (this looks especially charming), a quilted purse, a handbag (ideal for carrying knitting, papers and other travelling impedimenta) and, most unusual of all, a pair of baby's bootees. The largest items available in kit form are the cot quilts. Prices are very reasonable—for instance a cot quilt is £6.00 as is the quilted waistcoat kit, while the quilted baby bootee kit is only £2.00. Everything except needle and thread needed to make up the finished garment is provided in the kit, including handles for the handbag, wadding for the tea-cosy and so on.

For those who love patchwork but don't fancy doing the work it is also possible to buy the things ready-made. While the kit form of the cot quilt is £6.00 it could be bought ready-made for £24.00. Similarly the kit for a cushion cover is £5.00; ready-made it is £12.00.

When I first wrote about the kits I didn't feel the instructions were as clear or as full as they might have been but The Quiltery took note of my comments and have now enlarged and expanded them.

If you fancy doing patchwork from scratch they will also supply template sets in 12 different traditional designs—like the famous Bear's Paw design, Carpenter's Wheel, Baby's blocks, Spool, Goose Tracks and so on. All come with instructions and illustrations on how to put the different shapes together to achieve the desired pattern.

Another new service that The Quiltery offers is that they will do quilting, charging by the metre, for readers who don't have the machinery or the patience to do their own. The service takes three weeks. The Quiltery add all the wadding and backing and the pattern they use is a ? in diamond. They can cope with any fabric up to 48 in wide and the price is £2.50 per metre, with a minimum order of 1 metre.

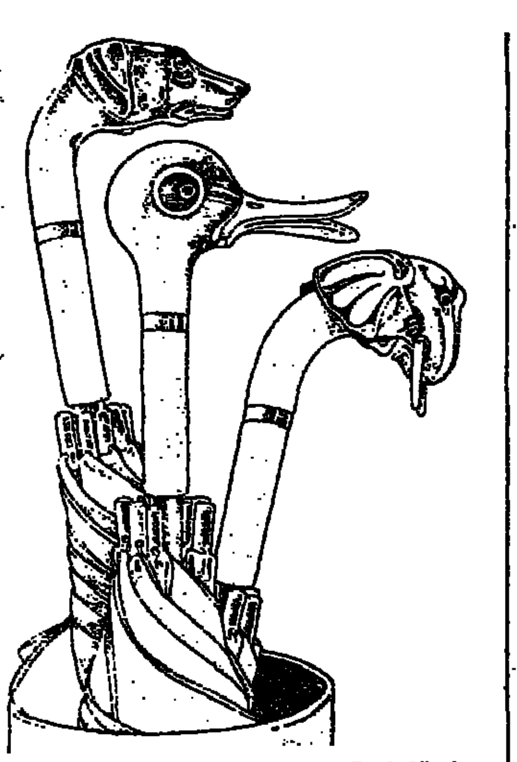
The Quiltery has now found retail outlets all over the country—mainly in small craft, design or general interior decorating shops but they do include some large shops like Bourne and Hollingsworth in Oxford Street, London, W1, the Design Centre in London and the Scottish Design Centre in Glasgow, Fenwicks of New Bond Street, London, W1, and Brent Cross, and Heal and Son of Tottenham Court Road. Anybody who has difficulty finding a local shop that stocks their products is welcome to write directly to The Quiltery who will be happy to sell by mail.

Branded for life

I ALWAYS felt that, apart from the fees, one of the worst things about sending children to boarding-school must be all that interminable sewing-on of name-tapes—which just goes to show how out of date I am. It is now possible to buy name-tapes that can be ironed on within seconds. Though the early experiments with these tapes proved that they saved a great deal of time the tapes didn't always stay on through many washes and the general wear and tear that children subjected them to.

Now Permark have introduced printed iron-on name-tapes that are so strongly bonded it is literally impossible to remove them. They, too, are just ironed on and there they stay through all washing, boiling or dry-cleaning processes.

Those who remember having to order name-tapes months before the child went to school will be relieved to hear that nowadays Permark can deliver five days after receiving the order. The cost is £1.15 per set of 50 name tapes, plus 10p for postage and packing. The name required should be written in capital letters and money with the order should be sent to Permark, 1, Station Grove, Wembley, Middlesex.


Frank Wheeler

What a shower

[I']M SORRY to refer to the British weather [t]wice in one week but it's been preying on [m]y mind lately and these very dashing [u]mbrellas did seem just the thing to feature [n]ow. They are some of the nicest umbrellas [I]'ve seen and though they are perhaps a little [o]n the expensive side to justify buying for [o]neself, one would make a superb present.

Made in Italy, they have natural wood [h]andles which are carved into a number of [d]ifferent forms—a dog's head, jockey in cap [(n]ice present for a racing man?), duck, or [e]lephant's head.

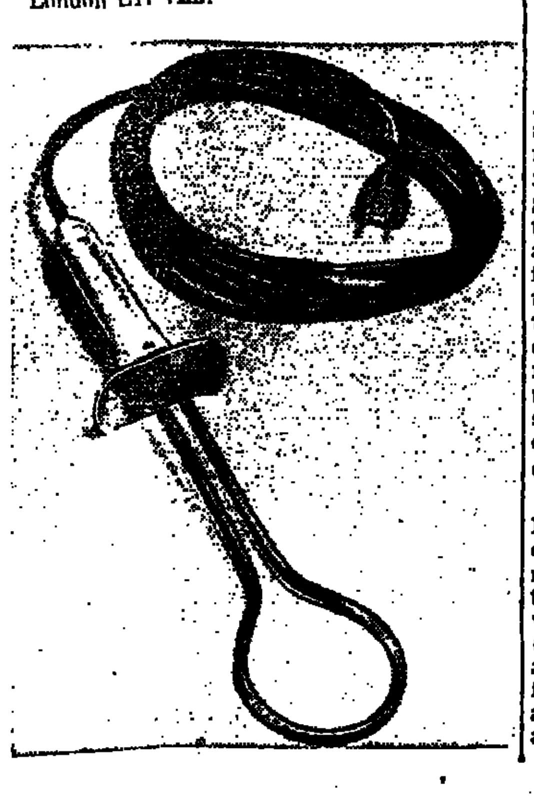
The fabric is cotton canvas and there is [a] wide range of plain colours—dark red, dark [b]lue or dark grey, tan, cream, beige or [e]merald. Those shown here (which are [n]ormal size) cost £24.50 each but there are [o]thers with carved handles almost twice the [s]ize (we didn't think they were quite so nice) [a]t £28.50 each. Find them at Les 2 Zebres [L]eather, one of the new shops to open fairly recently in London's Covent Garden area, at 34, Tavistock Street, London, WC2.

Sure fire

I'VE BEEN to many a barbecue where there's been an embarrassing hiatus while the host tries to light the fuel—the trouble is that since the barbecue is not a national way of life, most people haven't yet learned how to handle the event efficiently. Certainly lighting the fuel does take know-how and it also needs to be done a long time in advance so that it becomes really hot.

One of the best ways of lighting the fuel is by using a poker, though this does mean that you can't use it too far from the electricity supply. This poker has a 15 ft heavy duty lead and operates off 240 volts; its main advantage is that you don't need to use extra fire-lighters or risk dousing the fuel with paraffin (as I've seen done)—you simply plug it in and within five to 10 minutes the fuel will be fully alight.

I wouldn't recommend it for those who just occasionally go in for a barbecue for at £14.95 + 75p (p+p) it is a purchase to think about. However, as more and more people eat outside more often it could become a practical, much-used aid. Buy it by post from Mister Lewis, 82, High Street, Walthamstow, London E17 7LD.



Lively birds

I'M OLD enough to remember when chicken was considered a real treat. If somebody wanted to give you a special meal as a child, nothing was thought better than an old-fashioned roast chicken complete with all the trimmings. Nowadays chickens don't seem the same and it certainly doesn't cross my mind to think of serving chicken as a feast. It has become one of the cheapest meats and the thing I turn to when I'm running out of housekeeping. For this reason most of us need to find more interesting ways of dealing with the dull bird.

Buxted Poultry have recently started a series of recipes designed to inspire us to do something "different," and they have just produced their second leaflet on chickens (the first one was phenomenally successful as was the second one dealing with turkeys).

This leaflet aims at dealing with many of the new methods of cooking that have recently arisen—slow cookers, spit-roasters, barbecues, boiling bags and microwaves.

Methods are carefully explained, timings are given and new ideas are offered (for instance, cooking chicken in a paper or foil parcel, marinading and so on). So if anybody is feeling desperate for some new ideas when faced with yet another chicken to cook—send off for Buxted's free leaflet. All they ask in return is that you send a stamped, self-addressed envelope, measuring no less than 22 cm by 11 cm (or 8½" by 4½") to: Buxted Advisory Service, Alembic House, Albert Embankment, London SE1 7UB.

Herbal lore

ANY ENTERPRISE that has anything to do with herbs has reported a fantastic growth in interest from the public in general. After years of synthetics of all sorts many people are turning to herbs not just for cooking purposes but also to ease tension and to help send them to sleep. I'm always very chary of expounding on the medicinal qualities of herbs but undoubtedly herbal teas do seem very soothing and many of the associated products are charming.

The Herb Farm at Broad Oak Road, Canterbury, Kent, consists of over two acres of herbs all nurtured on a bank, overlooking the River Stour. People can visit the farm at any time every day except Sunday but advance notice is appreciated for large groups. There are always people there who know about herbs, who can advise on which to grow, which to use for what purpose, and so on. There's a herb shop where up to 500 different medicinal or culinary herbs, plants and seeds can be bought. If you can't get to the shop write for their mail order list which states clearly which plants can be sold by post.

However, if you can visit the farm it is well worth while. Besides the plants and seeds there is a selection of herb products as well—a sweet herb pillow is £2.25 (for the small size 8 ins by 12 ins) or £4.25 for the large size (18 ins by 12 ins). They sell many herb teas—wild bergamot, German chamomile, peppermint, spring nettle herb, and so on.

Meadow Herbs, which has for some time run a successful wholesaling business (their products are widely available in good gift shops and stores) and now have their own shop at 47 Moreton Street, London SW1 have always produced a pillow. They call it the car pillow and it contains a special blend of lemon verbena, peppermint, rosemary and thyme which is meant to help keep the car fresh and combat stuffiness and tiredness. These little car pillows cost £3.60 (13ins by 13ins) and certainly are charming and delightful-smelling.

Also for travellers Crabtree and Evelyn produce lovely old-fashioned books of soap leaves. Each book is shaped like a book of matches and could easily be packed into a tiny handbag. Each folder has ten soap leaves and there are three different fragrances—jasmin, sandalwood and rose. One leaf produces a good lather. They are 45p per book and are to be found in good department stores and gift shops.

ARTS

Les martyrs in Venice

OPERA

WILLIAM WEAVER

Towards the end of September, 1975, there was an important international musicological conference devoted to Donizetti, held in the composer's native city of Bergamo. As part of the festive occasion, Bergamo also presented a concert version of a rare Donizetti opera: *Les martyrs*. Though that performance was less than ideal, still it was good enough to give the audience—studded with Donizetti experts—an idea of the piece and its merits, which obviously demand a fully-staged production. And so when the Teatro La Fenice announced just such a production as the major event of its current season, interest and expectation ran high.

To some extent these hopes were disappointed, last month, when *Les martyrs* reached the stage of the great Venice house. Again, as in Bergamo, the work itself proved enjoyable, elegant, varied. But—at least from a musical point of view—the Venice production was largely inadequate, frustrating for the dedicated Donizettian. In the leading part of Pauline, the soprano Leyla Gencer was woefully inadequate. She had sung Pauline also in the Bergamo performance, and even then the voice betrayed alarming evidence of wear. Now it is in shreds, and all the canny professionalism in the world cannot conceal its absence of power, its unsteadiness, its uncertainty of intonation. Her severe vocal problems have inevitably affected also Miss Gencer's acting, now reduced to *a standard—and limited—repertory* of gestures, appealing or commanding, generically applied to the drama.

The virtual abdication of this central role obviously created uneasiness among the other singers. Renato Bruson (another veteran of the Bergamo performance), generally and rightly considered Italy's finest Donizetti baritone, was clearly having a bad night, the voice straying from pitch on occasion. Ottavio Garaventa, in the fiendish tenor part of Polyeucte, did a creditable job. The young bass Ferruccio Furlanetto (Félix) sang rather anonymously and moved stiffly, but he is nevertheless, a promising artist. None of the cast displayed much feeling for the French language.

For *Les martyrs* is one of Donizetti's French operas: or rather, it is a much-revised French version of the Neapolitan *Poliuto* (composed in 1838-9) which Donizetti made for the Opéra in 1840, with the help of the librettist Scribe, who adapted the Italian text of Cammarano, bringing it more in line with the original Corneille drama that had inspired it. In Italy, *Poliuto* had been banned because of its religious subject; in Paris, *Les martyrs* enjoyed an immediate success, but slowly faded from the repertory. Some years ago, the original *Poliuto* was revived at La Scala with Maria Callas as Poalina. In both versions, the opera is important, though difficult to perform. It merits performance, nevertheless, and should be revived again. The young conductor Gianluigi Gelmetti, in Venice, did his best to underline the beauties of the score, but partly because of the singing and partly because of the limitations of the Fenice orchestra these days, he could give no more than a hint of the music's many felicities.

Visually, things went better. Pierluigi Pizzi designed a series of austere and appropriate sets, often adorned with handsome statues (he could have omitted the plastic lions in the arena of the finale). The costumes, too, were sober and impressive. The producer Alberto Fassini moved principals and chorus simply, effectively. The opera is stately, and its stateliness must be accepted — as Fassini demonstrated.

In Milan, meanwhile, as La Scala's long season continues, new productions alternate with important revivals. Among the latter, the most recent is the Visconti production of *Il trovatore*, originally created for La Scala's visit to Moscow in 1964 and seen afterwards in Milan for three seasons between 1966 and 1971. No doubt a number of Visconti touches have disappeared from the staging over the years, but now seen again, it proves durable and effective still. *The designs by Nicola Benois are* realistic, but not pedestrian; the sets are grim and massive, at times almost dwarfing the human actors. At other moments—the room in Castellor, for example—the space is virtually abstract, throwing the human situation into high relief.

Zubin Mehta, conducting the revival, seemed to share this grand view of the work. His reading was vigorous, rousing, but unhurried, without tricks. He let the big swinging tunes — the Anvil Chorus, the soldiers' music —burst forth unabashed. The orchestra and chorus of La Scala were in top form, and the clear success of the evening derived to a large extent from them.

Only a few hours before curtain time, one of the scheduled stars—Sherrill Milnes—announced his indisposition. The Spanish baritone Vicente Sardinero was flown to Milan to replace him, and against all handicaps he was a moving Di Luna. Under the circumstances, his acting was understandably restrained, but it was always dignified, like his singing.

Fiorenza Cossotto, as Azucena, is seldom restrained or dignified. This characterisation is now internationally familiar and never changes, whatever the production. The popular mezzo lurched her way through the evening, gesticulating wildly and pouring out plenty of opulent (though not always perfectly-tuned) sound.

The tenor Ermanno Mauro and the soprano Eva Marton, newcomers to La Scala, gave good, sensible performances. Miss Marton's big voice cannot manage the trill in "D'amor sull'ali rosee," but it negotiated the agility passages successfully. Mauro sometimes abused his mezza voce, lapsing into a kind of falsetto, but he was straightforward and agreeable in the more aggressive scenes.

According to the programme Mehta was using a new critical edition of the score prepared by the American scholar David Lawton. To the naked ear, not many alterations were immediately perceptible; and, Lawton notwithstanding, in "Di quella pira" the dear old interpolated high notes were still there. Mauro belted them out ringingly, and the audience rewarded him with equally ringing applause.

Music in stately homes

The Scottish Baroque Ensemble's annual series of music in Scottish country houses continues this year with concerts at Mellerstain, Berwickshire (August 5), Borthwick Castle, near Gorebridge (August 11), Innes House, Elgin (September 2), Marchmont, at Greenlaw in Berwickshire (September 16), Winton House, near Edinburgh (September 17), and Drumlanrig Castle, Dumfriesshire (September 24). *Apart from the afternoon concert at Winton, which* begins at 3 pm, all the performances begin at 7.30 pm.

The repertoire includes music by Bach, Barber, Beethoven, Boccherini, Bruckner, Handel, Ibert, McGibbon, Mary Queen of Scots, Menotti, Mozart, Ravel, Rizzio and Schubert.

The price of the ticket in most cases includes wine and savouries and viewing of the house. The soloists appearing with the SBE are baritone Graham Titus, soprano Enid Bannatyne, Penelope Ogilvy *(flute) and Christopher Griffiths* (horn).

Order! Order!

RADIO

ANTHONY CURTIS

Today is back in full, and now that we have had a week or so to familiarise ourselves with its new format and its cast-changes, I for one welcome its restoration. The concept is right, surely. Any programme that goes out during the ablutionary time of 6.30-8.30 ought to be like a moving staircase, something continuous that you can step on and off at will knowing that it will carry you efficiently from bathroom to breakfast to the long goodbye without interruption. No one is going to listen to the whole of it from beginning to end.

But this is precisely what I did the other morning for the purpose of writing this week's radio column. Last Wednesday was the day chosen and it proved to be a good one in that it was bursting with important news stories overshadowed by the news from Spain of the tanker explosion at the holiday camp. The full horror of this only emerged during the programme. It was noticeable how much up-dating went on each time it was mentioned, backed by on the spot impressions, even an interview with a Spanish woman doctor in Barcelona who had been treating the victims.

The Spanish tragedy pushed aside items for which there had been some preparation such as the TUC and Phase 4, the SALT talks, the by-elections, the fate of gypsies in Britain, the Royal Commission on Gambling, the trial of the Soviet dissidents, the Synod's decision about the re-marriage in church of divorced persons; even so there was still room for an interview with Lord Chalfont on the arms race and Valerie Jenkins on re-marriage. I discovered that Thought for the Day is preceded at 6.45 by Prayer for the Day for early risers.

This week's Thinker is a jokey fellow who pretends to be thinking aloud in a department store, in a cemetery or at a wedding. Background noises are added to give a sense of actuality to the meditation which when not being facetious is conventionally pious. Still it was worth trying: and in general the weekly Thinkers do span a wide spectrum; as well as many shades of Protestant belief we have had a Bhuddist, a Rabbi, a Roman Catholic Cabinet Minister. But when did we last have an agnostic, an atheist, or someone who believes in goodness but not *in a personal god?* The neglect of this part of the spectrum does seem unfair to a vast section of opinion among the Radio 4 audience.

At any rate no one could accuse Wednesday's Today of being overloaded with trivialities. Indeed, I began by the end to feel rather unjustly that the one straight reporter, Tony Wilkinson, was coming into the act too much. Sport was given the biggest slice of the remainder of the cake with one slot at 6.50 and another at 7.25. But here again it was a busy day with the Spurs Argentinian signings, the departure of Tony Greig from county cricket, plus the start of the Open Golf Championship. One of the features of the late unlamented *Up To The Hour* was regular time given to books, theatre and the cinema. I guessed that would go in the new *Today* and so it has; but there does seem to be a determined effort to include one arts story at least in each programme. Good.

As for humour we had to be satisfied with some off-the-cuff exchanges between Timpson and Redhead which is, I must say, rather a good combination on the trusty basis of a straight man and a stand-up comic. But those two only coincide once a week. Some of the others do not seem quite so much at ease with the nonchalant microphone manner. Libby Purves is learning fast.

Today is followed by *Yesterday in Parliament* (a repeat of the night before's *Today in Parliament*) which includes recordings made in the chamber of MPs and peers at work. These clips greatly enhance the report. A colleague who works in the House suggested to me that the presence of the microphones tends to distort the heckling and uproar by magnifying it, particularly in sessions like *Prime Minister's Question Time* which is broadcast live. I went with him into the Press Gallery last Tuesday to check, but on the evidence of one visit would not like to venture an opinion. It was anyway a particularly noisy session with what another colleague described as a distinct whiff of electioneering in the air. Certainly there is a great deal that radio misses about the Commons atmosphere; it is even more theatrical than it sounds: 20 or more members on their feet at one time to catch the Speaker's eye and a steely gaze worthy of the Comédie Française in Mrs. Thatcher's eyes as she confronted the Prime Minister.

One unfortunate aspect of live Parliamentary broadcasting is that it tends to occur at a time when the BBC is putting out plays to a huge audience. There is a danger when the wave-bands change in the autumn that MPs will make more inroads into Afternoon Theatre time. This should not be allowed to happen. There should be room on the air for both kinds of drama.

Radio 4's "Today" team: Brian Redhead, Libby Purves and John Timpson

Orlando

HANDEL

ELIZABETH FORBES

Most of the musical events of Chichester 903 Festivities take place in the Cathedral—concerts by the RPO, the Berlin Philharmonic Wind Octet, the Clerkes of Oxenford, the Monteverdi Choir, the Academy of St. Martin-in-the-Fields and a staged version of *Noye's Fludde*—but Opera 70, a semi-professional group whose home base is Chichester, use the 18th-century Council House Assembly Room as an appropriate setting for two performances of Handel's *Orlando*. The scale of the production may be small, with a 12-piece orchestra and a pocket handkerchief-sized platform stage, but Michael Waite, Opera 70's artistic director, has not taken lack of space for an excuse to omit one essential ingredient of *baroque opera*, namely spectacle.

Alan Saunders's classical sepia set has sliding panels that open on an inner stage for the masques and visions that are a frequent occurrence in this magic opera manipulated by Zoroastro, whose three genii act as supernatural stagehands. Once all attempt at realism is abandoned, the very genuine emotions of the four chief characters becoming even more powerful and moving. In the famous mad scene, for example, we see, as Orlando does, the faithless Angelica and her new lover Medoro surrounded by the Furies, and watch Angelica change, as she is transformed in Orlando's disordered mind, into Prosperpina, Queen of the Underworld. If the Furies circle a little too strenuously in the first part of the scene, the image of the weeping Prosperpina, whose tears so enrage Orlando, is very striking.

Ann Lampard sings Orlando with great sincerity, a firmly drawn vocal line and cleanly articulated runs. She also enunciates Brian Trowell's English translation of the text in pleasing fashion—the other singers are sometimes guilty of sacrificing words to tone. Angelica, whose desertion of Orlando causes his madness, is a less sympathetic role, but Margaret Southwell phrases smoothly and fluently, while a slight edge to the voice is quite in character. Ann Bray, handsome in Moorish costume and make-up, lavishes her fine contralto on the rather spineless Medoro, but she is the worst offender when it comes to diction.

Dorinda, the shepherdess whose love — for Medoro — is also rejected, but who takes her rejection in more philosophical manner than Orlando, has some of the most ravishing music that Handel, always prodigal of invention and inspiration, ever penned; Ann Brown sings it with the purity and delicacy it deserves. She acts the naive young shepherdess a trifle too coyly, but her face, particularly in the trio where Dorinda refuses the comfort offered by Angelica and Medoro, is vividly expressive. Michael Macdonald cuts an impressive figure as Zoroastro, one of the more grateful bass roles in Handel's Italian operas.

Unavoidable surgery to the score is tactfully done, with a satisfying proportion of the da capo arias left intact. Ornamentation, discreetly employed, enlivens the repeats. Damian Cranmer, who conducts, sets a steady pace, keeping the basic pulse of the music beating strongly, but without any hustling of the singers. He obtains neat, stylish playing from the small orchestra. A final word of commendation is due to Philip Cranmer for his elegant harpsichord continuo.

SALEROOM

ANTONY THORNCROFT

AFTER THE excitements of Thursday when an unregarded painting of Bonhaus sold for £50,000 a sale of lesser old masters at Christies yesterday contained two successive surprises, both being bought by the same anonymous purchaser.

The Adoration of the Shepherd by Noel-Nicolas Coypel realised £24,000 as against a pre-sale estimate of £1,000 to £1,500, and The Angel Appearing *to Tobias*, by Carle van Loo, sold for £22,000 compared with an estimate of £2,000 to £5,000.

The prices reflect the renewed interest in French painters of the 18th century, particularly evident since the sale of Mentmore a year ago.

The auction, which totalled £521,880, contained 246 lots of which just over a third had been sent from abroad for sale. Thirty-six were from the collection of the late German industrialist, Georg Schafer of Schweinfurt, and, between them, contributed £95,170 to the day's total.

Among other anonymous purchases, £8,500 was paid for a picture of spanels with dead game by J. Fyt, and £8,000 for Christ before Caiaphas by the school of Honthorse.

TV/Radio

† Indicates programme in black and white only

BBC 1

7.15-8.30 am Open University (UHF only). 9.00 Ragtime. 9.15 The Flashing Blade. 9.35 Goober and the Ghost Chasers. 10.00 Rockface. 10.25 Bugs Bunny. 10.38 Weather.

10.40 Grandstand. Cricket: England v. New Zealand: Prudential Trophy; Golf: The Open from St. Andrews; Racing from Newbury (1.55, 2.25, 2.55); Athletics: The Kraft Games incorporating UK National Championships; Motor Racing from Brands Hatch; 5.30 pm Final Score.

5.15 News.

5.35 Sport Regional News.

6.00 Wonder Woman.

6.45 Saturday Night at the Movies: "Hell Boats."

8.20 Seaside Special from Torbay.

9.10 Kojak.

10.00 News.

10.10 Sailor.

10.40 The Expert.

11.30 Stuart Burrows Sings.

12.00-12.05 am Weatherman.

All Regions as BBC-1 except at the following times:—

Wales—8.50-9.15 am Hobby Horse. 12.00 News and Weather for Wales.

Scotland—12.00 News and Weather for Scotland.

Northern Ireland—5.55-6.00 pm Northern Ireland News and Sport. 12.00 News and Weather for Northern Ireland.

BBC 2

7.40-2.45 pm Open University.

†2.55 "The Merry Widow," starring Maurice Chevalier, Jeanette MacDonald.

4.30 Cricket: The Prudential Trophy.

7.30 News and Sport.

7.50 Network.

8.20 Royal Heritage.

9.20 Cricket and Golf.

10.40 Monster Double Bill: †"The Fantastic Disappearing Man."

11.35 News on 2; Weather.

12.00 "The Man With X-ray Eyes," starring Ray Milland.

LONDON

8.50 am The Saturday Banana. 8.55 Sesame Street. 9.45 The Saturday Banana (Part 2). 10.15 The Monkees. 10.45 The Saturday Banana (Part 3). 11.30 Tarzan.

12.30 pm World of Sport. 12.35 International Sports Special (1) Cycling—The Tour de France; Athletics between America and Russia; Australian Pools Check. 1.15 News from ITN. 1.20 The ITV Seven 1.30, 2.00 and 2.30 races at Ayr and 1.45, 2.15 and 2.45 at York. 2.55 International, Sports Special (2) Speedway. 3.40 The ITV Seven (Part 2) 3.45 Irish Guinness Oaks. 4.00 Wrestling. 4.55 Results Service.

5.05 News.

5.15 Celebrity Squares.

6.00 Laverne and Shirley.

6.30 Mr. and Mrs.

7.00 The Life and Times of Grizzly Adams.

8.00 "The Professionals," starring Burt Lancaster, Lee Marvin, Claudia Cardinale.

10.00 News.

10.15 The South Bank Show.

11.15 Juke Box Saturday Night.

12.15 am The Entertainers.

12.45 Close—Sir John Gielgud reads a sonnet by Shakespeare.

All IBA Regions as London except at the following times:—

ANGLIA

9.00 am Undersea World of Captain Nemo. 9.20 The Next Week Show. 6.00 pm Happy Days. 6.30 Gambit. 12.15 am At the End of the Day.

ATV

9.05 am The Shape of Things. 9.30 Sesame Street. 10.30 ATV Saturday Morning Picture Show. 12.15 pm Mystery Island. 6.00 Mr. and Mrs. 6.30 The Life and Times of Grizzly Adams. 7.30 The Entertainers starring Bruce Forsyth and Rita Moreno. 8.30 The Law Centre. 9.30 Soap. 11.15 Ghost Story: Elegy of a Vampire.

BORDER

6.00 pm Mr. and Mrs. 6.30 The Life and Times of Grizzly Adams. 7.30 Oh No It's Selwyn Froggitt. 11.15 Quincy.

CHANNEL

12.18 pm Puffin's Pla(i)ce. 6.00 Happy Days. 6.30 The Cuckoo Waltz. 11.15 The Law Centre. 12.15 am The Electric Theatre Show.

GRAMPIAN

9.10 am Talking Bikes. 9.35 Scene on Saturday. 10.05 The White Stone. 10.30 Sesame Street. 11.30 Space 1999. 6.00 pm Happy Days. 11.15 Police Woman. 12.10 am Reflections.

GRANADA

9.30 am Sesame Street. 10.25 Paul. 10.55 Saturday Matinee: "The Texican." 6.00 pm Happy Days. 8.00 The Horse Soldiers with John Wayne and William Holden. 11.15 The Entertainers. 12.15 am The Midnight Movie: "Goodnight My Love," with Richard Boone.

HTV

9.15 am Old House, New Home. 10.15 Batman. 11.30 Space 1999. 6.00 pm Happy Days. 7.30 Definition. 11.15 Within These Walls.

HTV Cymru/Wales—As HTV General Service except:— 5.15 pm Cartoontime. 5.30-6.00 Sion a Sian.

SCOTTISH

9.10 am Talking Bikes. 9.35 Sean the Leprechaun. 10.45 am The Saturday Banana. 11.35 The Bionic Woman. 6.00 pm The Many Wives of Patrick. 11.20 Streets of San Francisco. †12.15 am Late Call.

SOUTHERN

5.15 pm Mr. and Mrs. 5.45 Celebrity Squares. 6.30 Happy Days. 12.15 am Southern News. 12.20 Weather Forecast followed by The Black Experience.

TYNE TEES

9.05 am Lyn's Look-in. 9.15 Space 1999. 10.15 The Paper Lads. 10.45 Lyn's Look-in. 10.50 Lucan. 12.15 pm Lyn's Look-in. 11.15 Within These Walls. 12.15 am Epilogue.

ULSTER

10.00 am Saturday Morning Movie: "The Million Pound Note," with Gregory Peck. 11.30 Sesame Street. 6.00 pm Happy Days. 11.15 George Hamilton IV.

WESTWARD

9.15 am Talking Bikes. 10.15 The Beatles. 10.40 Look and See. 11.30 Gus Honeybun's Birthdays. 11.35 Code "R." 6.00 pm Happy Days. 6.30 The Cuckoo Waltz. 11.15 The Law Centre. 12.15 am The Electric Theatre Show. 12.40 Faith For Life.

YORKSHIRE

9.10 am Talking Bikes. 9.35 The Saturday Banana. 10.15 The Gene Machine. 10.45 The Saturday Banana. 11.30 Code "R." 6.00 pm Happy Days. 11.15 Quincy.

RADIO 1 247m

(S) Stereophonic broadcast
‡Medium Wave only

5.00 am As Radio 2. 8.06 Ed Stewart (S) with Junior Choice. 10.00 Adrian Juste. 12.00 Paul Gambaccini. 1.31 pm Rock On (S). 2.30 Alan Freeman (S). 5.31 Robbie Vincent (S). 6.30 In Concert (S). 7.30-2.02 am As Radio 2.

VHF Radios 1 and 2—5.00 am With Radio 2. 8.06 With Radio 1. 10.00 With Radio 2. 1.30 pm With Radio 1. 7.30-2.02 am With Radio 2.

RADIO 2 1,500m and VHF

5.00 am News Summary. 5.02 Tom Edwards (S) with The Early Show, including 8.03 Racing Bulletin. 8.06 As Radio 1. 10.02 Tony Blackburn (S) including 11.02 Cricket: England v New Zealand. 12.02 pm Sports Desk. 12.06 Two's Best (S). 1.01 Golf. 1.02 Offbeat With Braden (S). 1.30-7.00 Sport on 2: Golf (1.30, 2.00, 2.35, 3.05, 5.00) The Open Championship: Cricket (1.30, 2.00, 2.35, 3.05, 5.50) The Prudential Trophy: England v New Zealand: Athletics (1.30, 2.00, 2.33, 3.05, 5.00) UK National Championships: Tennis (1.30, 2.00, 2.35, 3.05, 5.00) The Davis Cup: Racing: Newbury (1.30, 2.25, 2.55, 5.40). 7.02 Des O'Connor Entertains. 7.30 Sports Desk. 7.33 Radio 2 Top Tunes (S). 8.30 Midland All Stars Big Band (S). 9.30 BBC Radio Orchestra (S). 11.02 Sports Desk. 11.08 John Henty (S) including 12.00 News. 2.00-2.02 am News.

RADIO 3 464m, Stereo & VHF

†7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 10.00 Brahms and Dvorak (S) Chamber music concert. 11.20 BBC Scottish Symphony Orchestra (S), Part 1: Beethoven. 11.55 Interval Reading. 12.00 Concert, Part 2: Mozart, Stravinsky. 1.00 pm News. 1.05 Heritage. 1.20 Joaquin Achucarro (S) Piano recital. 2.20 Man of Action (S) Fr. Michael Hollings. 3.35 Music of the Masters (S) by Brahms, Schubert. 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Alkan (S). 7.15 Hippolyte et Aricie (S), music by Rameau. Prologue and Act 1. 8.15 Interval Reading. 8.25 Hippolyte et Aricie. Acts 2 and 3. 9.25 Finding a Voice. Talk by Barbara Pym. 9.45 Hippolyte et Aricie (S). Acts 4 and 5. 10.55 Sounds Interesting (S). 11.45 News. 11.50-11.55 Tonight's Schubert Song.

Radio 3 VHF only—6.00-8.00 am Open University.

RADIO 4

434m, 330m, 285m and VHF

6.30 am News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather. 8.00 News. 8.10 Sport on 4. 8.45 Yesterday in Parliament. 9.00 News. 9.05 International Assignment. 9.30 The Week in Westminster. 9.55 News Stand. 10.15 Daily Service. 10.30 Pick of the Week. 11.20 Time for Verse. 11.30 Science Now. 12.00 News. 12.02 pm Away From It All. 12.27 The News Quiz (S). 12.55 Weather. 1.00 News. 1.15 Instant Sunshine by the Seaside. 2.00 War and Peace. 3.00 News. 3.05 Does He Take Sugar? 3.35 Music of the Masters. 5.00 Kaleidoscope Encore. 5.30 Week Ending . . . (S). 5.55 Weather. 6.00 News. 6.15 Desert Island Discs. 6.50 Stop The Week. 7.30 These You Have Loved (S). 8.30 Saturday Night Theatre (S) "The Night of Caesar's Knives." 9.58 Weather. 10.00 News. 10.15 A Word in Edgeways. 11.00 Lighten Our Darkness. 11.15 News.

BBC Radio London

206m and 94.9 VHF

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News. 8.15 The London Gardener. 8.30 David Kremer. 11.30 Robbie Vincent Saturday Show. 2.00 pm London Country. 4.30 Marjorie Bilbow. 5.00 Rail. 6.00-Close As Radio 2.

London Broadcasting

261m and 97.3 VHF

5.00 am Morning Music. 6.00 A.M. with Dickie Arbiter. 10.00 Jellybone with Therese Birch. 1.00 pm Saturday Sport. 6.00 After Six—with Ian Gilchrist. 6.30 Hugh and You with Hugh Williams. 7.00 Geet Mala. 8.00 Saturday Music. 9.00 Nightline with Alan Nin. 1.00 am Night Extra with Hugh Williams.

CHESS SOLUTIONS

Solution to Position No. 224.

(c). Play continued 1 RxP? B-K8! 2 RxR, R-K6 ch; 3 K-B2 (now White sees that if 3 K-Q4, B-B8 mate), RxB ch; 4 K-N1, RxR; 5 R-B6, RxP and Black won easily.

Solution to Problem No. 224.

1 Q-R4 (threat 2 P-N5), BxB; 2 PxB, or if BxQP; 2 P-K4, or if PxP; 2 N-K4, or if N-K5; 2 P-K3, or if N-B2; 2 Q-N5.

WEEKEND CHOICE

SATURDAY: The first opportunity for addicts of TV cricket to discover whether New Zealand will do to England what England did to Pakistan comes in Grandstand's coverage of the first one-day international. (10.40 am on BBC1; highlights at 9.20 pm on BBC2).

"Hullabaloo" on The South Bank Show with its string of famous names—James Ivory, Peggy Ashcroft, Ruth Jhabvala—will have a job fulfilling all our expectations.

SUNDAY: If it didn't occur when all sane people were still in bed (9.00 am) ITV's Talking Bikes would be very tempting for us motorcycling enthusiasts, being the only programme of its sort.

The only soap opera that ever really hooked me was The Onedin Line, thanks entirely to the ships. (Well, perhaps Jessica Benton helped just a little bit). Another series starts at 7.15 on BBC1.

The "Film Of The Week" on BBC2 is a godsend for all who have been missing its every one-night-stand at remote specialist cinemas: Two Lane Blacktop is a cult movie about a private road (hence the title) race.—C.D.

Hullabaloo: ITV today

ARTS/COLLECTING

Not so significant on Broadway

I want. I said. to see three sig-icant plays across the spec-um of New York theatre. No oblem, they told me, except u won't get in to *Ain't Misbe-vin'* or *Chapter Two* before e July.

Elizabeth Swados has tailored *unaways* for Broadway, but by ing so she has reduced its nificance. It is a musical out children who run away om home, and Miss Swados, mposer of some marvellous isic for Andrei Serban's La ama productions, devised it cause she had a special thusiasm for adolescent per-rmances. The company are most all adolescents, from 11 the early 20s, though mostly l runaways. They put on a ely show and on the night I ent they got a rousing recep-

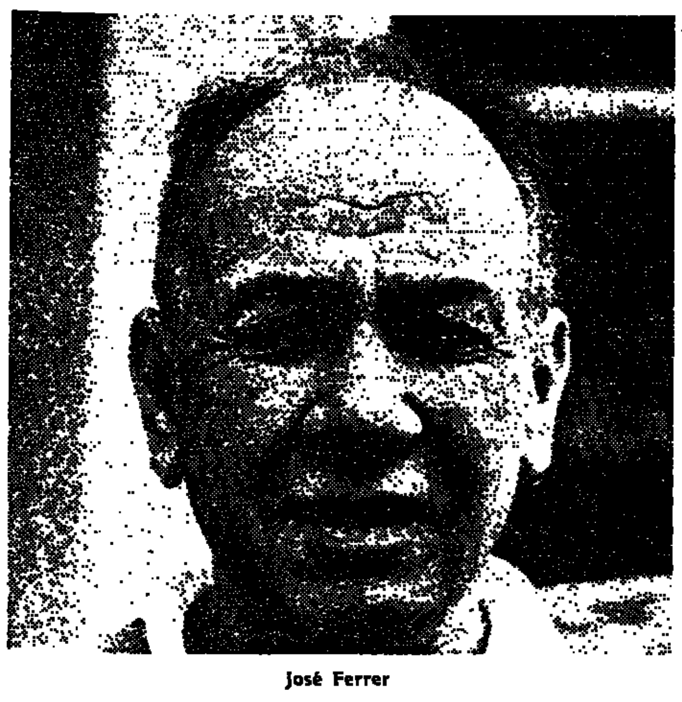
THEATRE

B. A. YOUNG

on. But the play falls between o stools. Miss Swados has ghtly couched her theme in rms of music and dance: but either the music nor the dance Broadway quality. The score ingeniously laid out for the nall band in the wings, stage ght, and the big chorus of ough voices that Britten would ave loved: but the music seems to have been written down to the youngsters, all diatonic Salvation Army tunes. The choreography seldom rises above physical jerks, yet even so the routines are carelessly danced.

The script is worth more. It covers every imaginable reason for leaving home, apart from a basically bad character, a possibility Miss Swados does not acknowledge even when dealing with child criminals; and visualises the various fates that lie in wait for the homeless young. All entrances are made from a kind of cage surrounding the stage, a telling analogy of the access of illusory freedom the kids must feel as they leave. It would be even more telling without the clearly unhappy caged pigeons on the set upstage.

Off-Broadway I saw David Mamet's *A Life in the Theatre*, which has already been bought for London. It is a two-hander for a mature player on his way *down* and a young player on his way up, and consists of no more than a series of incidents in the theatre illustrating their several courses. It is a splendid bit of reporting, the behaviour of the two men attentively observed in situations covering a vast tract of theatrical experience. They discuss shows just over. They exchange favours in the dressing-room. They discuss their colleagues and their own lives. They forget lines, they have trouble with props. All the time confidence of the young man (James McDonnell) increases and that of the older (José Ferrer) leaks away.


José Ferrer

Mr. Ferrer's playing is outstanding. He never lets the veteran's superiority diminish in the face of growing competition until the day comes when he hears the younger man whetting his voice on the Chorus's lines from *Henry V* and realises that the day is past when he will ever be able to do that again. The beautifully timed direction is by George Gutierrez. Significant? No. But enjoyable? Oh, *yes*.

Down, or up, to off-off-Broadway, *A Fierce Longing*, written by John Schneider for Theatre X of Milwaukee, is a fantasy on the life of the Japanese novelist Yukio Mishima. It begins at the end, when as leader of his private army, the Shield Society, he makes an unsuccessful attempt to compel the Japanese Defence Force into a revolt aimed at re-establishing a return to the old noble ways of chivalry. His ignominious failure means ony one thing: suicide by seppuku, or self-disembowelling.

Then we go back to find out what it was that led Mishima to do such a thing, and what we find, alas, is that he was a ridiculous man, no matter how good his novels may have been. His obsession with military glory (cunningly concealed between 1942 and 1945) originated only with his homosexual desires for "rough trade," which developed into sado-masochistic fantasies of sacrificing young soldiers and sailors. He seems to have been the same kind of man as Ernst Roehm, the SA boss, only without the capacity for organisation.

All the same, director Sharon Ott has mined some pictorially attractive scenes from his life with her ingenious use of projection on movable screens, designed by John Kishline and Monica Ehlke. Ott, Kishline and Ehlke emerge three times as interesting as Mishima.

By way of a bonne bouche, a late-night show afterwards brushed away the cobwebs. *My Cup Runneth Over* is a sweet trifle by Robert Patrick (who wrote *Kennedy's Children*). It deals with the morning after Yucca Conklin, a girl punk singer, has unexpectedly made a great success when standing in for an absent star in her sweat-stained T-shirt (*not*, as she indignantly explains to an interviewer, a tea-stained sweat-shirt). For five years she has shared a room with Paula, an unsuccessful writer, and Mr. Patrick demonstrates with much understanding how fame can destroy a cosy relationship like this in a flash. The script is as funny as it is sad, and the piece is stunningly played by Amy Wright as Yucca and Nancy Snyder as her roommate. The director is Marlyn Baum. I thought I even caught a faint hint of significance here at the Circle Repertory, a situation aimed straight out at its audiences.

THEATRES THIS WEEK . . . AND NEXT

HICHESTER: *The Aspern apers*: An atmospheric dramatisation of the Henry James ovel with Cathleen Nesbitt uperb as the old lady with a asl. Opened Tuesday.

PEN SPACE: *Jubilee Minstrels*: ongs from the Deep South set n an historical context by Leni loan. Opened Tuesday.

HEATRE UPSTAIRS: *Irish yes and English Tears*: Low fe in Fulham makes for an nconsequential piece of fashionble violence. Opened Wednesay.

HEATRE ROYAL, STRAT-ORD: *Land of Hope and Glory*: arty atmosphere in this friendly heatre for good-natured spoof n amateur theatricals. Opened hursday.

*

A quiet time in the theatre. *odspell* opened yesterday at the haftesbury, its fifth West End uring, and *Sing Happy*, a new musical anthology of the songs f Kander and Ebb gets the first f three Sunday try-outs at the ambridge tomorrow. On Monay *The Prime Minister's Husband*, a new political comedy by Eric Paice opens at the Churchill, Bromley, with Maggie Fitzgibbon, while the Tower of London is staging *The Yeoman of the Guard* starring Tommy Steele. The Open Air Theatre in Regent's Park moves away from Shakespeare to present a Shaw double bill, also from Monday. On Wednesday *Beyond a Joke*, a musical review, opens at Hampstead and the next night in Nottingham there is an adaptation of Jules Verne's *Around the World in 80 days*.

*

Among the forthcoming productions are Paul Robeson, a new play by Phillip Hayes Dean, which has been a great success on Broadway. It opens at Her Majesty's on July 27 for a six-week season with James Earl Jones repeating his New York performance as Robeson.

On September 12 Hughie Green returns to the stage in Ace in the Hole, a comedy by Michael Pertwee which starts a national tour at Norwich. Other dates include Wolverhampton, Brighton, Richmond and Nottingham.

The Editor Regrets, a light comedy by William Douglas Home, opens at the Greenwich Theatre on August 3 after a provincial tour. It is produced and directed by Anthony Roye who also appears in it.

The next new production at the Olivier Theatre in the National will be Edward Bond's The Woman which joins the repertoire on August 10. The songs are by Hans Werner Henze and among the cast are Andrew Cruickshank, Nicky Henson, Susan Fleetwood and Dawn Grainger.

Vanessa Redgrave will take the leading part in the second production of the Third Season at the Royal Exchange Theatre in Manchester. She will open in Ibsen's The Lady from the Sea on October 5, in a production directed by Michael Elliott.

Two new productions join the NT's repertoire in September: Bernard Shaw's *The Philanderer* (opening Lyttelton, September 7) and William Congreve's *The Double Dealer* (opening Olivier, September 27).

TV RATINGS
w/e July 9

UK TOP 20: (Homes Viewing m)	
1 Life Begins at Forty (Yorks)	15.65
2 London Night Out (Thames)	15.05
3 Charlie's Angels (ITV)	13.90
3 Coronation Street (Wed.) (Gran.)	13.90
5 News at Ten (Wed.) (ITN)	13.50
6 Winner Takes All (Yorks.)	13.10
7 That's Life (BBC)	12.80
8 Coronation Street (Mon.) (Gran.)	12.75
9 Seaside Special (BBC)	12.30
10 Crossroads (Tues.) (ATV)	12.10
11 Crossroads (Wed.) (ATV)	12.00
11 Don't Ask Me (Yorks)	12.00
11 Pink Medicine Show (LWT)	12.00
14 Crossroads (Thurs.) (ATV)	11.80
15 The Dark Secret of Harvest Home (ITV)	11.65
15 Showdown (ITV)	11.65
17 Survival (Anglia)	11.50
18 Crossroads (Fri.) (ATV)	11.40
19 Kojak (BBC)	11.20
20 News (Sat.) (BBC)	11.15

Figures compiled by Audits of Great Britain for the Joint Industrial Committee for Joint Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)	
1 Alice (CBS) (Comedy)	21.1
2 One Day at a Time (Com/drama) (CBS)	20.4
3 Columbo (NBC) (Drama)	20.2
4 MASH (CBS) (Comedy)	20.0
5 Switch (CBS) (Drama)	19.4
6 All in the Family (CBS) (Comedy)	18.9
7 Starsky and Hutch (ABC) (Drama)	18.6
8 Fantasy Island (ABC) (Drama)	18.5
9 Quincy (NBC) (Drama)	18.4
10 Charlie's Angels (NBC) (Drama)	18.2

A Nielsen rating is not a numerical total.

New plays

Two new plays join the Aldwych repertoire over the next few months—Steve Gooch's *The Women-Pirates Ann Bonney and Mary Read* on July 31 (previews from July 26), David Mercer's *Cousin Vladimir* on September 22 (previews from September 19) and a new production of Middleton's *The Changeling* on October 16 (previews from October 11).

The Women-Pirates is Steve Gooch's first play to be performed by the RSC. He translated *Man Is Man* for the RSC in 1975-76.

Words of value

IT IS a source of some amazement in the collecting market how Sotheby's autograph and manuscript department consistently manages to dig out material for bigger and better sales. A two-day sale on June 24-25, of "Valuable Autograph Letters, Literary Manuscripts and Historical Documents" (one day I must try to discover the rationale which decides when a sale is "Fine," "Valuable," "Important" or "Highly Important") merits a lavish two-volume catalogue running to a total of more than 350 pages.

Sotheby's autograph and manuscript catalogues are always good reading. In particular the footnotes tend to a sardonic humour in which I suspect the hand of Mr. Roy Davids, who runs the department. Of an oak gate-leg table that once belonged to Burns (a slightly odd and bulky item to find in a sale of manuscripts) it is noted that "The table may have been made as early as the reign of Charles II, although it should be remarked that styles of furniture were perpetuated much longer outside London than some care to remember."

The table is not the only unexpected associational item in the sale. Lot 343 is a pair of steel-rimmed spectacles "Presented to Mr. Robert Browning by the Members of the Clayton Square National Tontine Society as a mark of their esteem"; and there is also a large pocket handkerchief belonging to the poet and inscribed, apparently by his sister, "R. Browning." Such bizarre mementoes are apparently not to be sniffed at (if that is not, in the present

COLLECTING

JANET MARSH

instance, a less than happy metaphor): the great poet's hanky is estimated by the auctioneers as a startling £250-£300; and a lock of his silver grey hair in a locket at £60-£80.

These are however only diversions and aberrations in a sale which includes so important a manuscript as Jane Austen's The Watsons, the unfinished novel which she began between Northanger Abbey and Mansfield Park. It is the earliest of the four known manuscripts of her mature works, and the only one still in private hands. The first 12 of the total 88 pages were separated during the First World War, when they were sold in aid of the Red Cross; and are now in the Pierpoint Morgan Library.

The alterations and scoring out in the manuscript, as in other autographs by Jane, reveals vividly the literary method and the painstaking methods of composition.

After Jane, the sale is a whole panorama of Victorian society in Britain, from the Queen herself downwards. Victoria appears in a particularly attractive light in a passionate letter of 1874 in which she protests the treatment of the natives of Natal: ". . . who were so unjustly used and in general her very strong feeling (and she has few stronger) that the natives and coloured races should be treated with every kindness and affection—as brothers and not as, alas, Englishmen too often do—as totally different beings to ourselves, fit only to be crushed and shot down."

This letter forms part of the archive of the 4th Earl of Carnarvon (1831-1890), a formidable collection of some 15,000 letters, along with diaries, drafts, memoranda, reports, notebooks and records of conversations. Sothebys believe it to be the most extensive collection of any Victorian statesman ever to be offered at auction, and guess that the price may reach something in the region of £35,000. Carnarvon was involved with practically every major political or colonial issue of the day, and his correspondents include most Victorian statesmen of importance as well as the Queen.

Poor Carnarvon's stand on the Eastern Question drew a royal rebuke and rather long-lasting displeasure: ". . . the Queen must say that nothing can give her more pain than to see people who like Lord Carnarvon have possessed her esteem and respect, and for whom she has a sincere regard, take a view of foreign affairs, or rather one of Eastern affairs and a line of policy which she must consider as most detrimental to the position of her great empire . . ." Happily by 1884 Carvarvon was able to rejoice, in his diary, that "The Queen was most gracious—it was an entire renewal of the old manner and apparently feeling—just as if the last six years had gone by and as if all cause for offence with me was entirely blotted out."

These eminent Victorians are also glimpsed in less public attitudes. Poor Wellington has a tiresome domestic mishap: ". . . My Cook got drunk fell down stairs broke His ribs and is Dead: and I can give no dinners till I can get another." John Ruskin struggles not only with impending madness; but with his weakness for young girls whom he euphemistically calls "sylphs." He tells a lady friend he has arranged a party to which "I've asked . . . two sylphs—a quite Greek one of—not quite mediaeval date therefore—and a little sister—I'm afraid I shan't get them—and perhaps it's the better for me . . . But I really hope you will enjoy yourself in spite of the Sylph—from whom also I expect nothing but torture!"

Though the sale is outstanding as a panorama of Victorian society, it is not confined to the 19th century. There are a number of items from the Civil War: Fairfax writes from Selby and Prince Rupert from Cirencester. After the Restoration, the fugitive Richard Cromwell—poor Queen Dick—writes a series of poignant letters to his children, hiding himself behind such pseudonyms as "Crandberry," "Canterbury" or "Cronmore." The distresses of the exile even included noises in the head, for which "I took 5 douzen and 2 pills with a draught of sage Tea 3 pills in the morning & 3 at night as also I sneezed wth the juce of white primrose, I have sence that also according to rule lett blood what shall I say? Naughty boys are not safe wthout the rod . . ."

A document of outstanding interest in the history of the theatre is a letter from the—somewhat misnamed—Master of the Revels, Sir Henry Herbert, demanding the right to censor plays at the Cockpit Theatre in 1660.

An equally wide variety of 20th century autographs, ranging from Bernard Shaw to General Montgomery, includes a series of letters by Graham Sutherland, dealing with the execution of the famous Churchill portrait.

Repeatedly I was told "They (meaning his colleague in the government) want me out." But (and this as a paraphrase of the actual conversation) "'I'm a rock' and at that the face would set in lines and the hands clutch the arms of the chair."

I like to think, though, that the special sense of irony of Sotheby's cataloguers is most touched by the autograph note books containing "characteristic objurgations saved up for future use" by A. E. Housman, and containing such sly epigrams as "It is worse than false, it is true": and "The rarest of sexual aberrations is chastity. . . ."

BRIDGE

E. P. C. COTTER

WITH TODAY'S DEALS illustrate declarer play at its very est, and I hope they will give s much pleasure to you as they id to me. The first hand was layed by Tim Seres, the Australian international:

N.
♠ K 7 6
♡ K 9 7 6
◇ A Q
♣ 10 9 6 3

W.
♠ Q 4
♡ J 10 8 3
◇ J 7 5 2
♣ K J 7

E.
♠ J 8 5
♡ Q 5 4
◇ K 9 8 6
♣ Q 8 4

S.
♠ A 10 9 3 2
♡ A 2
◇ 10 4 3
♣ A 5 2

North opened the bidding with one no trump. South replied three spades and North raised to four spades.

West led the heart three, and East's Queen was taken by the Ace. The declarer at once led a diamond and finessed the Queen on the table. When this finesse lost, prospects were very poor, as in addition to the diamond there were two losers in clubs and one in trumps.

The declarer decided to play for a Devil's Coup, a play in which the opponents' trump trick disappears. It is, in effect, a trump endplay. He won the diamond return, ducked a club, won the club return, cashed the heart King, and ruffed a heart in hand. A diamond was ruffed on the table, and another heart was ruffed in hand.

Then South cut adrift with his last club. East won the trick, and with nothing in his hand but J 8 5 of spades, he returned the five. South played the nine, the Queen covered, and the King won. The seven of spades came back. East produced the eight, South finessed the ten, and the game was made.

Brilliantly conceived, and perfectly executed. This is a coup which fills me with admiration—and envy, for it is the only coup which has never come my way. Maybe I have missed it, but I have never brought it off.

Incidentally, at the eleventh trick East should lead the Knave of spades, not the five. This sets the declarer more of a problem, because he is haunted by the fear that this may be a false card from Queen, Knave, and another.

Here, too, the declarer gave a masterly display:

N.
♠ A
♡ Q 9 8 2
◇ 7 5 4 3
♣ 8 6 5 2

W.
♠ Q J 9 8 5
♡ J 10 5 4
◇ 8 2
♣ 10 7

E.
♠ 10 6 2
♡ K 7
◇ Q J 10 9
♣ Q J 9 4

S.
♠ K 7 4 3
♡ A 6 3
◇ A K 6
♣ A K 3

South dealt at game all and bid two no trumps, and North replied three clubs. Reassured by the rebid of three spades, North raised to three no trumps, and all passed.

West led the spade Queen to the Ace, and East rightly threw the ten. The declarer surveyed the scene without any great enthusiasm. He had seven tricks on top, and he could set up another if West had the heart King, but where was he to find a ninth? If West held three hearts to the King, he would duck one round to prevent dummy from making two tricks in the suit, and there was no time to play one of the minor suits to set up a third trick in it, even if he was fortunate enough to find it breaking.

There was just one chance, to find East with the King of hearts doubleton. At trick two, therefore, declarer led dummy's eight of hearts and ran it when East followed with the seven. West won with the ten, and the spade Knave was taken by the King. Now the Ace of hearts dropped East's King, another heart enabled South to finesse dummy's nine, cash the Queen, and claim nine tricks.

It makes no difference what card accompanies East's heart King, so long as it is doubleton. If he holds Knave or ten and covers dummy's eight, the declarer wins, ducks the next round of hearts in dummy, and later finesses against West's ten or Knave.

CHESS

LEONARD BARDEN

THE WORLD championship match between Anatoly Karpov, 27 of the Soviet Union, the holder, and Viktor Korchnoi, 47, former USSR citizen and now stateless, is scheduled to start his weekend at Baguio City, a hill resort in the Philippines.

The stake is SwFr 1,054,350 (about £300,000), split five-eighths to the winner, three-eighths to the loser. Organisational costs are likely to increase the amount to be found by the Philippines Chess Federation to nearly £1m.

The new world champion will be the first player to win six games, draws not counting. Three games will be played each week, and the time limit is 40 moves in 2½ hours with 16 moves per hour thereafter. The referee is Lothar Schmid, of West Germany, who also officiated in the Spassky v. Fischer match in 1972.

Such are the bare bones; what are the prospects? First of all, there is a significant risk that the match will not finish in a regular way and that some dispute (perhaps harmless in itself), will develop into a crisis because of the political undertones of the occasion.

This could arise from some real or (more likely) imagined misbehaviour at the board: there was personal tension between these two players at their last match in Moscow in 1974, and since then there has been the notorious Korchnoi-Spassky match which ended with mutual angry complaints about unethical behaviour.

In addition, defeat for either side will be a terrible psychological blow: to Karpov because his growing legend as one of the great world champions and as a successful Soviet sportsman will be broken, and to Korchnoi because of his belief that the world title is his destiny and his paranoia regarding Russian chess officials.

It is not beyond Schmid, a fair and tactful man and himself an experienced grandmaster, to smooth over the difficulties and see the match to a normal finish; but it won't be easy.

A further offboard factor which could affect the result is the difference in age between the players and their contrasted physical constitutions. Normally a 20-year difference in a world title match means a great advantage to a younger man; only in Botvinnik v. Tal, 1961, did the older player win with a generation difference and on that occasion Tal was seriously ill before and even during the match.

But Korchnoi, a survivor of the German siege of Leningrad in 1941, is clearly very fit and finished much fresher than his opponents in the qualifying matches for the title. Karpov is physically slight; he has played successfully through many hard international tournaments, but Korchnoi claims that the champion suffers from low blood-pressure and was near to exhaustion at the end of their 1974 series.

If none of the ifs and buts materialise and there is a normal chess match between two players in good health, what then? On paper, it could turn out one of the great encounters of chess history: both grandmasters have been in outstanding form, and there is a potentially fascinating clash of styles.

Karpov prefers a classical strategic game, with emphasis on endings, in the tradition of Capablanca and Fischer, while Korchnoi is a fine exponent of double-edged and risk-taking play whose chess heroes include Lasker and Nimzovitch.

Thus the most likely course of the match is for Karpov to concentrate on accurate, technical chess, waiting for Korchnoi's occasional loose games; while Korchnoi will aim to sharpen the fight and reach unclear situations where Karpov is less convincing.

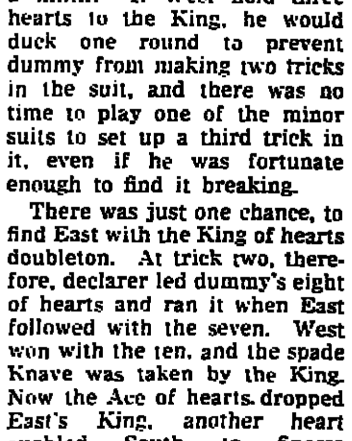
Most experts would expect a leading "classical" player to do well in a match against an opponent whose style, on a deep level, is not quite so sound. Korchnoi does not see it that way, and in a recent interview he described Karpov's style as "too simple . . . almost childish . . . quite primitive for a world champion."

Before the Reykjavik match in 1972 I felt sure that Fischer would beat Spassky barring temperamental outbursts; this time Karpov is favourite but there are more imponderables and reasonable odds would be 4—6 on Karpov, 5—4 against Korchnoi. I look for a score like Karpov, 6, Korchnoi 3 and hope there will be at most 15 draws.

A match "crisis," whatever its nature, is likely to excite public interest but a battle of attrition lasting several months could permanently harm the popularity of chess. FIDE could come to regret the decision to reintroduce a timeless test concept to the world championship.

POSITION No. 224

BLACK (9 men)

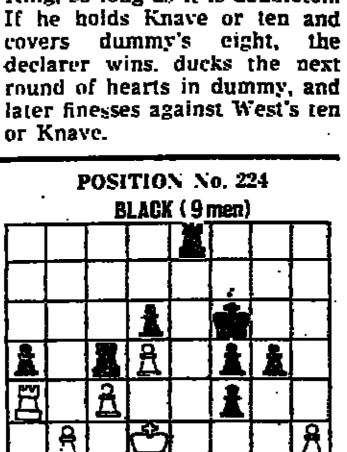


WHITE (9 men)

Gufeld v. Ermenkov, Yurmala (Latvia) 1978. White (to move) can play the obvious capture 1 RxRP. Does the move (a) give good winning chances, (b) only lead to a draw because Black wins the QNP, or (c) lose by force? In the game White, a grandmaster, made the wrong assessment.

PROBLEM No. 224

BLACK (8 men)



WHITE (10 men)

White mates in two moves, against any defence (by J. Buchwald, 1st prize American Chess Bulletin 1945).

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Uncertainty ahead

THE AGREEMENT by the nine members of the European Community to consider in greater detail a proposal for pegging their exchange rates more closely to one another got the UK financial markets off to a good start this week. Sterling rose sharply, especially against the dollar, and both equities and gilt-edged followed suit. These market movements are not altogether easy to rationalise. Although the proposal envisages some pooling of exchange reserves among the Nine, after all, it is not to be supposed that the risk of a run on the pound will become less of a restraint on policy than it is at the moment: were that the case, the risk of inflation would become greater.

Any support needed to maintain a semi-fixed exchange rate is bound to be subject to conditions, perhaps more onerous than those imposed by the International Monetary Fund. A closer alignment of currency parities implies a greater co-ordination of economic policies and conditions throughout the Nine—which is no doubt why Mr. Callaghan, realising the competitive disadvantages of the UK and the hostile attitude towards the Community which is still prevalent among Labour's left wing, was less enthusiastic about the proposal than most of his colleagues.

The Summit

But his reservations are shared, to a greater or lesser extent and for a variety of reasons, by many politicians and officials. It will be some time before the details of such a scheme can be considered and carried out. In the meantime, the Bremen initiative is widely regarded as a promising start to the Bonn summit meeting which begins tomorrow.

That, too, may be a hopeful over-simplification. The Bremen proposal, like the more optimistic noises that have been coming out of Geneva this week about progress on the current round of international trade negotiations, may help the seven heads of government of the leading industrialised countries off to a good beginning in their efforts to encourage jointly the growth of world output and trade in order to bring down unemployment and check the trend towards protectionism. But they each have their own formidable political problems at home to deal with and they are not entirely at one even about the theoretical goals at which they are aiming.

The financial markets in London, at any rate, did not hold the momentum with which they began the week: the 30-share index has gone a little higher, but the dollar exchange rate and the index of government securities have slipped. This may seem paradoxical, since the economic indicators which mainly affect gilts have been reasonably good while the index of industrial production, which is of more concern to equities is of doubtful significance.

Inflation

The latest news of progress in the struggle against inflation, on the other hand, looks good. It was announced yesterday that the growth of the retail price index had fallen again in June to 7.4 per cent on a yearly comparison, and it seems quite likely that the index will continue to rise at around this rate until about the end of the year. Support for this view can be found in two advance indicators. First, the index of price increases notified to the Price Commission fell from a rise of 6.8 per cent to one of 6.0 per cent between May and June. Secondly, the indices of wholesale prices look reasonably promising. The index of output prices for the home market rose in June by only about 1 per cent, much the same rate as in recent months, while that of raw material prices was up by much less than usual, largely because of the strength of sterling.

At the same time, as was to be expected, the Government's latest package of measures — and the sudden burst of demand for gilt-edged stock which followed their announcement—has had its effect on the growth of the money supply. The banking figures for the latest month suggest that there was little change either way in this period, though they also suggest that the demand for bank advances from industry may be creeping up at just the time when the scope for meeting it has been limited by official action. The latest trade figures, though better, are still too affected by erratic items to have much influence either way.

The greatest uncertainty of all, however, which affects gilt-edged and equities equally, is the approach of a general election and the reaction of trade unions to the Government's next plea for wage restraint. The latest by-election results confirm the widespread feeling that the election will come in October. The White Paper on pay policy is expected within days. The union reaction to it, this time as last, will only become clear over the course of months.

Finance Bill as amended at report stage

Doctoring in the House

BY DAVID FREUD and DAVID WAINMAN

THE Finance Bill completed its run through the gauntlet of the Commons on Thursday night and will shortly become law. As in 1977, it emerged with a string of concessions by the Government, and several outright defeats, as a result of the lack of an overall Labour majority. The changes were considerable—and many are of great importance to the taxpayer.

But although the extent of the alterations was probably even greater than last year—itself a post-war record in these terms—the Government did have greater control over the proceedings.

There were no Labour defections in the Standing Committee, so that there were no defeats at this stage. Last year the Government was considerably embarrassed by the Rooker-Wise amendments laid down by two Labour backbenchers in Standing Committee which had to be accepted in modified form in the final Bill.

This year the main effort of Conservatives in Standing Committee was to convince Mr. John Pardoe, the Liberal, and Mr. Enoch Powell, the Ulster Unionist, to back their amendments. When this looked like happening, the Government headed off potential opposition by promising concessions. The Conservatives claim that there were more than 100 new clauses and amendments, many of them exacted under pressure of this kind.

However, the biggest changes were made on the floor of the House. The Conservatives managed to wreck the strategy of the Chancellor's Budget by lowering the 34 per cent basic rate of income tax to 33 per cent and raising the threshold at which higher rates apply from £7,000 to £8,000.

The Government's attempt to recover the revenue lost through these changes—estimated at £440m in the 1978/79 financial year—was obstructed by the Liberals. Instead of increasing the National Insurance Surcharge by a proposed 2.5 percentage points, the Government *had to make do with 1.5 points,* bringing the overall surcharge up to 3.5 per cent.

This will bring in only £300m this year and the Government has announced that it will review the position in November, when it will decide whether or not additional measures are required to cover the shortfall.

Although other changes were not introduced in so dramatic a manner, several of them make a sizeable impact on tax demands in specific areas. And as a general rule all changes were beneficial as far as the individual taxpayer was concerned.

Among the key alterations there were several concessions to help small and family businesses and trusts, an extension of the period before Development Land Tax comes fully into effect and further tax relief for those self-employed working overseas. Tax on redundancy payments was reduced, the new profit-sharing legislation was eased and there were moves to reduce elements of sex discrimination embodied in legislation.

Measures that were defeated included an attempt to make VAT bad debt *relief less* potentially destructive, moves over scholarships and consortium relief and a Tory attempt to stop the Government tackling organised tax avoidance *retrospectively.*

Income tax

The 1 per cent cut in the standard rate of income tax will cost the Exchequer about £340m in the current financial year and means a reduction in individual income tax of up to £60 a year. This figure will be gained by taxpayers earning about £8,000, after which income level there *will be no additional benefit.*

The Tories' second major amendment—raising the higher-rate threshold—brings relief of as much as 4 per cent for taxpayers earning £10,000 and above. The cost of this change is estimated at £105m in the current financial year and the greatest benefit will go to those earning between £15,000 and £25,000.

The main reason for this is that the raising of the threshold to £8,000, because of the way the relevant clause is drafted, raises all the tax bands above it by £1,000. So whereas the original income level at which the top 83 per cent rate of tax began was £23,000, it now stands at £24,000.

As there is always a considerable delay before tax tables incorporating changes can be introduced, it will not be until November 9 that the new rates will come into effect. So the tax rebates consequent on the change will not be paid until then, when an estimated £300m will be injected into the economy.

The approximate level of the rebates will be £9.70 for a married man with no children earning £4,000 a year; £17 for one earning £5,000; £104 for someone on £10,500; and £250 for one on £20,000.

Small companies

A considerable number of detailed amendments extend the availability of the reliefs which the Chancellor had introduced for small businesses, to encourage their operations and to help preserve them through the generations.

The capital gains tax relief for gifts of business assets operates by holding over the tax liability until the recipient of the asset himself disposes of it. Although it applied to shares in almost all trading companies, forestry companies were accidentally left out—this has now been corrected.

Retirement relief is the somewhat *misleading name* of the capital gains tax relief for those over 65 who hand on their businesses or family companies, whether they retire at the time or not. The relief had already been increased in the Bill as originally tabled so as to exempt the first £50,000 of gains (or £10,000 per year of age over 60, for those who gave their businesses away before reaching 65).

There are two important new amendments. The first brings into the scope of the relief shares in companies held 51 per cent by a family, and in which the donor holds 5 per cent. The previous levels were 75 per cent and 10 per cent. Secondly, a measure of relief is now to be available in cases where the asset concerned has not been held for the full period of 10 *years which was previously a* requirement. After one year of ownership, relief is available on one-tenth of the gain and each additional year provides a further one-tenth exemption.

The relief given where loans made to traders become irrecoverable, or where a guarantor has to pay up because such a trader defaults, has been extended to professions as well as to trades. It is also to be available where the loan is made to a company in a group which is not itself a trading company, but which lends it on to another group company which is.

A very large number of *amendments make alterations* to the rules concerning what income a closely-held company must distribute. The main provision in the original Bill permitted companies to leave out of account the cash they needed in order to purchase new businesses, or to repay loans raised for such purchases. It was not clear whether this covered purchases which had already taken place, or only those after the Bill was published — it is now clear that it covers them all.

In the committee stage of the Bill, Mr. Joel Barnett undertook to initiate all-party discussions on the possibility of extending the small gains exemptions to trustees. At present, trustees get no reduction in capital gains tax on small gains, a situation which is not equitable for the thousands of will trusts whose only beneficiary is an aged widow: if her husband had left her the money outright instead of in trust for life, she would have benefited from the bill's exemptions and *reliefs.*

As an interim measure, Mr. Barnett has given a blanket exemption for all trusts set up before June 7 where the gains made do not exceed £500 in the year, and a tapering relief if the trustees make gains of up to £1,250.

Tax and EEC

Clause 63 of the Bill was a provision designed to allow the British Government to comply with its EEC obligations to exchange *information* concerning UK taxpayers with the authorities of other countries in the Community. The Revenue explained that it already had similar and comprehensive pro*visions in Double* Tax Treaties with all the other EEC states, but it has nevertheless been forced to accept two restrictions on the way in which this information can be passed across. The recipient must accept the same confidentiality conditions that the Inland Revenue itself operates under, and the information can be given only where it is needed by the other state for its own tax and tax enforcement purposes.

Development land

The Opposition obtained acceptance of an amendment which puts off for one more year, to April 5, 1980, the date at which the 80 per cent rate of Development Land Tax becomes fully effective. Until then, the present position will continue, namely that the first £150,000 of chargeable gains will be taxed at 66⅔ per cent, and only thereafter will the higher rate operate.

Profit-sharing

The profit-sharing provisions *put into the Bill at the behest* of John Pardoe have been quite substantially amended. Many of the committee-stage changes were simply technical—a subject as complex as this was bound to prove a nightmare for the draftsman. Two major changes were made at the report stage, however. Shares can now be released to the employee without any charge to tax after 10 years instead of the original 15, and the amounts chargeable between five and seven years is 50 per cent and after seven years 25 per cent. Secondly, the original proposals allowed the shares to come out *free of tax if the employee died* or retired through ill health or was made redundant. He could not get them tax free at statutory retirement age, but had to wait the necessary number of *years thereafter. He is now to* be allowed to take his shares tax free at that time.

Work abroad

The Government accepted a Conservative amendment at Standing Committee stage to bring the self-employed into line with employed people when they spend time working abroad.

Last year the Government gave tax concessions to employees who worked 30 days or more abroad, and this year's Finance Bill gave the same concession to self-employed people, although for them the qualifying period was extended to 60 days.

The Conservative amendment brings the qualifying period down to 30 days, which means that for any period longer than this self-employed individuals will be able, for tax purposes, to deduct 25 per cent of their profits. The clause, which entails a considerable staff burden on the Inland Revenue, will result in a total gain for taxpayers of about £10m. in a full year.

Redundancy

The Government introduced a clause to double the threshold before tax is payable on redundancy payments to £10,000. The intention of the increase was to enable workers to change jobs without having to pay large amounts of tax on their redundancy pay. It follows a series of large-scale *redundancy announcements* by groups like British Steel, British Leyland and Swan Hunter in which individual payouts are expected to approach £20,000.

In practice, the threshold of £10,000 means that in many cases no tax at all will be incurred on pay-outs as high as £19,000, due to the way redundancy pay is assessed. This is because the "topslicing" provisions assess the whole of the additional payment above the threshold at the tax rate into which the first sixth of this falls.

Discrimination

A couple of changes removed elements of sex discrimination in current legislation. The main alteration was for PAYE repayments after the end of the year to be made to a wife, where they were attributable to her own earnings, as of right. Up to now they have been paid to husbands—a source of considerable irritation to many married women.

The failures

The Commons order papers are littered with the usual crop of failed and uncalled amendments. Among those which many will regret are two matters which have recently been the subject of correspondence in this paper: Bad debt relief for VAT is not to be granted where the debtor is a company, unless that company is put into liquidation. The insolvency and receivership partners of a number of the major accounting firms strongly deprecate this restriction. Secondly, corporation tax group relief for losses is still not to be available where loss-making companies own jointly a profitable company—the legislation only allows relief if the jointly owned company is the one which has tax losses.

Of the amendments tabled which stood little chance of finding their way onto the statute book, one was designed to sabotage the Revenue's recently-announced proposal to tax employees whose children receive "scholarships" from the parent's employer. Mr. Peter Hordern and Mr. John Wakeham nevertheless thought it worth tabling an amendment to exempt the amounts concerned from the charge to tax as *benefits in kind.*

The Conservatives gained the support of Mr. Powell and Mr. Pardoe in the Standing Committee over a clause that outlawed a particular tax *avoidance scheme*—known as the commodity carry scheme—retrospectively.

The support of these two MPs meant that the committee vote was initially tied and the clause retained its retrospective element only when the chairman's casting vote went in its favour. This narrow defeat meant the clause was debated again on the floor of House, where it was carried with *majorities of 27 and 21.*

However, because the measure was intended to set a precedent, the declared opposition of the Tories, as well as the other parties, will have a significant impact on the future of organised tax avoidance.

The Government planned the attack on the single scheme to discourage taxpayers using new ones in future. Clearly, there would be no point in an individual seeking to avoid tax through an artificial scheme if the Government was likely to rule it out of court retrospectively.

Now that the Conservatives have declared a *formal policy* of their own over tax avoidance, however, some taxpayers might take the risk of using schemes under any future Conservative Government with a secure *majority.*

Conservative policy on the issue was spelled out by Mr. Peter Rees, a Tory Treasury spokesman during the debate in Standing Committee.

Instead of dealing with avoidance schemes retrospectively, the Tories will deal with them by giving a precise warning in the Commons, from which date the scheme will be outlawed.

The problem at which the warning had been directed should then immediately be referred to a committee composed of members of the Inland Revenue and of the accountancy and legal professions. If that committee could devise appropriate legislative provision, the draft clause should be published at once so that those likely to be affected have a second clear intimation.

The final guideline the Tories say they will adopt would be to introduce this clause, without fail, into the following Finance Bill.

Letters to the Editor

Dividends

From Freda Bailey

Sir,—The pathetic performance of the London stock market is pointing clearly to fading hopes of the restoration of unhampered dividend payments.

The Government went half way to encouraging the small investor by removing the capital gains on small profits, thus offsetting inflation and costs—the abolishing of dividend restraint would revive interest in company payments and ordinary shares could and should be an attraction for investment income. The pension funds etc. and personal sectors would equally benefit, and the just rewards for risks capital would be recognised.

We all know that companies have good and bad years and dividends are paid accordingly. It is off-putting to have the continuing corset holding back, which after all is not unfair income—and in many cases is lower than average from a *growth company.*

Our present Government has come a long way from the original narrow-minded concepts of Socialism. They are educated men and women who recognise that "capital" is a necessary ingredient to run any business and have shown as much understanding as any Conservative Government.

The health of the business community depends on wise decisions, and where it is pos*sible, the Labour Government* has done quite well—except in regard to dividend controls.

Now is the time to encourage the future generation of investors. If they acquire an understanding of the way trade and *business is conducted,* the country would no doubt gain, and damaging strikes and unrealistic wage claims would be contained.

Freda Bailey.
Pickwick Cottage,
St. Chapel Street,
Tiverton, Devon.

Pensioners

From Mr. P. Grotrian

Sir,—On reading Samuel Brittan in the Lombard column (July 12) and his defence of Meade, I could not but help thinking of some advice Joe Rogaly had recently for the elderly, when he was writing about pensions. He suggested to the elderly like myself, that if anything was to be done for us when old, it would have to be a matter of self help. He even suggested, horror of horrors, that some concessions might be *made concerning investment* income, to encourage the elderly to be more able to look after themselves when old.

Superficially, the Meade/Brittan line is attractive, but closer inspection shows it to be *the reverse. Those who have* been most successful at providing for old age, the higher rate tax payers, are going to be the ones who really will be clobbered. Meade/Brittan are saying, "You keep your money but that is all: just try and spend it in order to keep off the rates and you won't know what has hit you." Meade/Brittan, on hearing that the old are crying for bread, say cheerfully, "Let them eat fivers." Their solution to the problem of old age, is death by starvation: even in this day, I find such a notion callous and repulsive.

I suspect that as the years begin to catch up with S. Brittan, he will think more favourably of Joe Rogaly's ideas and less of the Meade/Brittan "final solution" to old age.

P. R. Grotrian.
Alldens Copse,
Alldens Lane, Godalming,
Surrey.

Cyprus

From the Press Attaché
The Turkish Embassy

Sir,—The report of the European Commission of Human Rights, on Cyprus, which has been disclosed by the "Friends of Cyprus," cannot be accepted as a credible document.

This report totally fails to reflect the realities in Cyprus. The Turkish side was never a party to the deliberations of the Commission and the report was based exclusively on the Greek-Cypriot allegations, supported by a very limited number of people. Moreover, the disclosure is in breach of the provisions of the European Commission of Human Rights, as well as going against the decisions of the relevant bodies of the Council of Europe, which have not consented to the publication of the report.

One cannot fail to note that the release of the report was conveniently timed to coincide with the eve of the hearings of the renewed Greek-Cypriot petition to the European Commission of *Human Rights.*

The release of such a biased document is greatly to be deplored since it can only be an impediment to finding a lasting solution to the Cyprus problem.

Varol Akcin,
Turkish Embassy,
43, Belgrave Square, SW1.

Property

From Mr. H. A. Frazer.

Sir,—I am sure many of your readers including myself find the survey on Northern Ireland (July 4) exceedingly interesting. There are, of course, many factors which prevent the province from obtaining its full financial target and one of these is the relative unwillingness of pension funds to invest in property in Northern Ireland.

With the honourable exception of the pension fund of the National Coal Board, there is relatively little investment in property in Northern Ireland by cross channel pension funds, even by those funds controlled by undertakings who have substantial industrial interests in the area.

I think the unwillingness probably arises from lack of appreciation of the Government scheme for compensation in relation to buildings damaged or destroyed as a result of malicious injury. So far as the older buildings are concerned it cannot always be assumed that the cost of rebuilding will be paid since compensation is more likely to be on the basis of capital loss in terms of market value, but in relation to modern buildings which of course survive bombing much more completely than the older type of building, it is by no means unusual for the compensation to be based on reinstatement costs less, in appropriate cases, a deduction for betterment, if any.

These considerations coupled with a much higher rate of interest on property investments in Northern Ireland than can be obtained elsewhere are insufficiently appreciated with *the result that the market is* not as active as it ought to be.

Managers of pension funds would do well to look again at the Northern Ireland commercial property market since, in addition to higher yields, there *has been a progressive rise in* rental values.

H. A. Frazer.
Alexander, Reid and Frazer,
55-57 High Street, Belfast.

Choice

From Professor D. Myddelton

Sir, — Unlike Mr. Roper (July 8), I advocate competition even in the so-called "professions." That means allowing individuals the freedom to choose between "qualified" and "unqualified" *lawyers,* doctors, teachers, and so on. I am not, of course, suggesting that people necessarily ought to prefer the unqualified, merely that they ought to be allowed the choice.

In education and medicine the *state has substantially prevented* competition since the war. If we were permitted the services of profit-seeking competitive hospitals and schools, instead of bureaucratic state monopolies, I happen to think we would enjoy higher quality and lower cost. At least it might be worth experimenting to win such a prize.

I understand there is already a large element of potential competition among architects between the "qualified" and the *rest. And I would not be too* worried about allowing "unqualified" lorry drivers on the roads, since their own interest in acquiring sufficient driving skills must be at least as great as the public's interest in seeing *that they do so.* Anyway employers would be free, if they wanted, to require some demonstration of driving ability before hiring anyone.

Even with airline pilots there is a lot to be said for competi*tion. Most people would pro*bably prefer to fly with an airline with a relatively accident-free record, so it would not be in an airline's interest to employ incompetent pilots.

In general, however, possession of some *professional "qualification"* can hardly be regarded as synonymous with current "competence." After all, senior members of many professions passed their last professional examinations before the *last war* (even assuming that such examinations can adequately test competence).

So while Mr. Roper agreed with all my examples about freedom, I agree with none of his examples about qualifications. It *is a depressing reminder of* the paternalism of our age that so many people have lost sight of the once-revolutionary truth that freedom actually works!

D. R. Myddelton.
Cranfield School of Management,
Cranfield, Bedford.

Education

From Mr. H. Blankson

Sir,—I have read with considerable interest the views expressed by both Mr. R. C. Saint and Mr. John R. Bath (July 10).

While Mr. Saint suggests that greater emphasis should be placed upon education in the polytechnics rather than universities, that is, practical rather than purely academic," Mr. Bath on the other hand suggests that opportunities for self-advancement are exactly the same for the bright and well-motivated school leaver as they are for the bright and well motivated graduate.

If, however, it is accepted that in the final analysis both the school leaver and the graduate have to "get started on their careers and begin earning money of their own," then it stands to reason that the ideal pattern of education and employment should in fact start from the time the individual gets his first job at the age of 16, 17 or 18.

As soon as the school leaver *has obtained his first employ*ment (and provided he is interested in the job) then he should be encouraged and be guided by his employers to take the appropriate course leading to the professional qualification *appertaining to the type of job* he happens to be doing or is interested in. For example, if he were to be working in any of the various specialist jobs in the company then he could take courses by means of day release, *polytechnic or by correspondence* to qualify in his chosen field. Older people in industry can also do the same in order to progress. On the other hand, if he is interested in academic pur*suit such as teaching or univer*sity education then while in employment he could take the necessary preliminary courses and examinations in order to qualify for entry into either a teacher training college or university.

In other words, it would be far better to pursue educational advancement in industry and commerce (where you combine education with training) than pursuing education first and finding employment later.

Herbert Blankson,
Herblank School of Sales
Management Administrators,
35, Whateley Road,
East Dulwich, SE22.

Credit

From Mr. K. Speyer.

Sir,—Mr. Penwill's letter (July 8) is apt in that it highlights the obvious — people who cannot pay on time because the cash is not there, or because they themselves borrow from the banks at anything from 1½ per cent to 5 per cent over bank rate — will only be too pleased to take any credit they can get from their suppliers, as they have always done.

Mr. Penwill and the proposed legislators are innocents to think that a mere interest of 1 per cent over bank rate chargeable as of right automatically, is likely to make the slightest difference to such borrowers of goods, services, money. They will, as at present, get their credit on the cheap — as even at 1 per cent over bank rate they would effectively get their credit far below the cost at which most such borrowers could get overdraft facilities from the banks, if they could borrow from them any more in any case.

To be effective, trade credit after one month should be surcharged at the rate of 2 per cent or 3 per cent per month (not 1 per cent per annum over bank rate, as proposed) to take account of the cost to the lender of his own money costs and inflation and the return he expects from his own business and working capital.

K. G. Speyer.
E. M. Speare.
208, City Road, EC1.

Modest aspirations for the summit

BY PETER RIDDELL, Economics Correspondent

OUTLOOK for the world omy may not be much oved by the economic nit but no real harm may one either. This is the level modest aspirations with h most commentators, and participants, are oaching the two-day meet- of the leaders of the seven r industrial nations which s in Bonn tomorrow.

deed there has been a ierate effort by the seven tries to avoid building up ssive expectations ahead of meeting—partly because of intractable nature of many e problems to be discussed also, more cynically, so that agreement can be presented success. The summit will st certainly not fail. at publicly; at any rate, a communique with a unding condemnation of (protectionism) and in se of virtue (sustainable inflationary growth and gy conservation) will re that any failures do not me too readily apparent.

ich scepticism is perhaps itable in view both of the ent state of the world omy and of the clearly ppointing results of the e previous summits—at bouillet in November 1975. Puerto Rico in June 1976 in London in May 1977. meeting has included the , Canada, Japan, the UK, t Germany, France and .

e recovery of activity and ut has remained slow in t of the major industrial tries, with the notable ption of the U.S. And ough unemployment has not eased sharply in the major omies as a whole since last mn, the numbers out of k are still significantly er than at any time in the generation up to the mid-1970s, and it is a similar story with the rate of price inflation. The pattern is depressingly familiar but the fact that 1978 looks in some respects like being a repeat of 1977 is of little comfort. The potential and actual instabilities have increased, notably in the currency area, while the threat of creeping protectionism has grown.

Unrealistic

The lack of progress in the last year can be appreciated by reading the Downing Street Declaration produced at the end of the London summit, with its mixture of unrealistic targets and trite hopes. It is hard to identify any substantial advances on any of the seven major points:

- Creating more jobs;
- Maintenance of existing targets for growth by the *stronger economies;*
- Commitment to seek more resources for the International Monetary Fund;
- Agreement to give a new impetus to multilateral trade negotiations;
- Pledge on need for greater energy conservation;
- An urgent study of how to reconcile the world's demand for nuclear power with the need to avoid the spread of nuclear weapons:
- Pledge to do everything possible by means of trade, aid and finance to help the developing countries towards a just share in world growth, notably by promoting the success of the North/South dialogue.

The most glaring failure of the London summit has concerned the pledges to maintain economic growth rates. Japan committed itself to its existing target of a 6.7 per cent rise in total output in 1977 compared with 1976, but achieved only a 5 per cent increase; West Germany reaffirmed a 5 per cent growth target, but the outturn was an increase of only half as much. Only the U.S. broadly achieved its target of a 5.8 to 6 per cent rise in total output during the course of 1977.

Overall, the London meeting has been followed by a slackening, rather than an acceleration, in rates of economic growth. The expansion of real Gross National Product throughout the area of the Organisation for Economic Co-operation and Development slowed down from an annual rate of 4 per cent in the first half of last year to barely over 3 per cent in the second half and not much higher at present, with a slight upturn expected later in 1978.

The result is that the growth of total output for this year as a whole is unlikely to be any more than last year's 3½ per *cent increase. This is insuffi*cient to check the rise in unemployment from the present level of 17m. This aggregate picture masks contrasts between the U.S., which has continued to expand rapidly with a sharp fall in unemployment, and West Germany and Japan where expansion has remained at relatively low levels. These differences have been reflected in continuing current account imbalances in 1978—again contrary to the hopes of the London summit—with the U.S. deficit possibly rising to $25bn matched by West German and Japanese surpluses totalling almost as much.

The likely failure to achieve the specific growth commitments became apparent within only a few months of the London summit.

Such an obvious failure in spite of an agreed monitoring process explains the general rejection of the whole idea of specific growth targets. The problem is that not only are the targets often unrealistically high in the first place, and so *are never taken seriously*, but that the commitments to their achievement are made too late in the year to carry out any necessary corrective action in time.

In other areas, the results of the London summit have also been disappointing, though not always so obviously. Thus the Tokyo round talks in Geneva aimed at reducing trade barriers have still not reached detailed conclusions in spite of the extension of the deadline. But intensive sessions this week suggest that agreement on a comprehensive reform and liberalisation of trade may now be achieved by the end of this year.

The pledge on seeking more resources for the IMF has certainly resulted in much discussion as well as action by many governments, though little substantial change yet in the Fund's role. Similarly, the position of developing countries is no better than it was and in *many respects* worse with ever growing indebtedness.

This dismal list might seem *to discredit* the usefulness of summitry. Yet the idea of regular meetings between heads of state retains its appeal, partly no doubt because it provides the political leaders with some temporary feeling that they can influence, if not control, the development of the world economy.

The regular meetings also provide an opportunity for keeping in touch and transcending diplomatic channels. It is argued by the defenders of summits that they are an opportunity for heads of state to give a new political impetus when an issue has become deadlocked in the discussions of officials and finance ministers. On this view, world leaders may agree collectively what they are unwilling, or unable, to do individually.

The more modest, and perhaps realistic, view is that these summits and other meetings of finance ministers at the IMF and OECD concentrate the minds of the participants. This does not mean that countries are necessarily forced to *embark on* a major change of strategy unless they want to. But it is arguable that a calendar of regular international financial meetings and consistent pressure helped to ensure that West Germany and Japan took some expansionary action last year. There may also be a useful negative result of summits in that the participants abstain from certain defensive actions which they might otherwise have undertaken — for example, the introduction of import controls and other subsidies on a large scale, as occurred in the 1930s.

It is in this limited sense that the Bonn summit may serve a purpose, showing that the lessons of earlier over-ambition have been appreciated. The agenda is virtually the same as a year ago in its range of preoccupations with the major addition of currency stability. The sharp fall in the dollar in the last year, especially compared with the Japanese Yen and the Deutsche Mark, has made a stabilisation of currencies a major priority for the European participants especially West Germany and France. Indeed last weekend's decision at the Bremen summit of Common Market heads of government to press ahead with detailed consideration of Franco-German proposals for achieving currency stabilisation within the EEC may be more significant in the longer-term than the Bonn communique.

The problems in reaching agreement at Bonn are caused not only by the state of the world economy but also by the widely differing views and interests of particular countries. The starting approaches are well known. West Germany, the host nation, is reluctant to embark on a major programme of expansion as urged by other countries because it believes this might risk a rekindling of inflation and is anyway not practicable in view of public borrowing constraints.

Commitments

Instead, Chancellor Schmidt is looking for action by the U.S. to support the dollar, especially to reduce oil imports, and for tougher commitments against protectionism. France broadly agrees, though is sensitive about criticisms of subsidies. The Japanese Government shares many of the German views, but is confident about sustaining a fairly high growth rate, and its main positive contribution is likely to be a commitment to increase aid and capital flows to non-oil developing countries.

The U.S. position is more ambiguous on currency stability and President Carter is likely to emphasise the need for a convergence of growth rates as a result of expansionary moves by the West German and Japanese Governments to reduce payments imbalances. He will say this is preferable to a restrictive U.S. policy, especially as its economy is anyway likely to slow down later this year.

Mr. Carter is likely to point to his efforts to push an Energy Bill through Congress while stressing the constraints of his domestic political position. He has already stressed the increased relative significance of non-oil manufactured imports as a cause of the U.S. current account deficit.

The UK's main role in the summit may turn more on the fact that Mr. James Callaghan, the Prime Minister, is closer to President Carter than other leaders rather than the importance of any extra contribution from Britain. Indeed the UK view is that the budget stimuli of the last 12 months have already represented the UK's part of the joint effort towards non-inflationary growth.

The nature of any bargain emerging from the summit is still not clear. But any commitments are unlikely to be more than vague, and there will be no quantative growth targets. Herr Hans Matthoefer, the West German Finance Minister, suggested the outlines of a possible deal yesterday when he said that West German proposals to boost growth would be more concrete if President Carter is prepared to be more precise in his commitments on stabilising the dollar through cutting oil imports and dampening down inflation. But almost whatever good intentions are agreed at Bonn, it is difficult to foresee the average rate of economic growth being much higher in a year's time than now, or unemployment and inflation being much lower.

Glyn Genin

Some of the participants of the London summit of last year outside No. 10: Mr. Callaghan, Mr. Carter and Herr Schmidt.

Economic Diary

TODAY—Prime Minister speaks at Durham Miners' Gala.

SUNDAY — Two-day Western economic summit opens in Bonn.

MONDAY—High Court application by Burmah Oil for court order compelling Bank of England to disclose documents Burmah considers important in its £500m action against the Bank for the return of its 20 per cent shareholding in British Petroleum at the original sale price, plus dividends. Railway Staff National Tribunal resumes hearing of ASLEF pay claim, London. Fire Brigades' Union one-day conference on pay, Blackpool. Retail sales (June, provisional). Cyclical indicators for UK economy (June).

TUESDAY—Prime Minister and other Cabinet members meet TUC General Council to discuss forthcoming White Paper on pay policy. EEC considers the Community Budget, Brussels. U.S. Government offers 300,000 ounces of gold for sale in third of six monthly auctions. British Airports Authority annual report. British Gas Corporation annual report. Sir David Steel, British Petroleum chairman, addresses American Chamber of Commerce lunch on "Oil and Energy in the North Atlantic." Savoy Hotel, WC2. Unemployment and unfilled vacancies (July, provisional).

WEDNESDAY — Prime Minister meets Confederation of British Industry on Phase Four pay guidelines. European Commission meeting on "crisis cartels." Brussels. All stages of Finance Bill in House of Lords. CBI Council meets. British Institute of Management launches "Managers' Manifesto." Basic rates of wages and normal weekly hours (June). Monthly index of average earnings (May).

THURSDAY — Cabinet discusses impending White Paper on pay policy. Consumers' expenditure (2nd quarter, 1st preliminary estimate). Sector financial accounts: Net acquisition of financial assets; and industrial and commercial companies and personal sector financial accounts (1st quarter). UK banks' assets and liabilities and the money stock; and London dollar and sterling certificates of deposit (mid-June). Construction new orders (May).

FRIDAY—Sales and orders in engineering industries (April).

Weekend Brief

etting

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Wednesday the Royal Commission on Gambling published final report, a document of h thoroughness and scholarly ention to detail that by the lowing morning the small id of Fleet Street journalists rged with the task of absorbits 581 pages and 304 ommendations was in a state exhaustion bordering on ia.

f it is any consolation, the irman of the Commission, d Rothschild, was prepared admit this week that he had nd his two-and-a-half years' k on the Commission "the st frightful sweat."

he report cost £585,010 to duce and involved sifting distilling 1.75m words of nal evidence, plus 111 visits various Commission mems to bingo clubs, casinos, er grounds, race tracks, ing shops and other bling institutions from here as Vegas and back.

It's the most difficult job ave ever undertaken," says d Rothschild, "*much more* icult than running the nk Tank. It's an immensely plicated subject with so y ramifications."

s a non-gambler, had he n shocked by his introducn to what has become an n business? "I wasn't cked. But I was very, very prised. I found gambling be neither more innocent more sinister than I had gined, but there is indeed emarkable superfluity of it. really are a nation of blers."

he ramifications the Commis found itself dealing with ged far and wide, from the adly economic to the comcial and financial, the moral philosophical. The subject so complicated, says Lord hschild, that it is pointless rive for an over-view. "The d gambling is as broad as word religion, a word that lf embraces everything from Holy Roller to the Buddhist. do you attempt to relate needs or motives of a ldle-aged woman who visits bingo hall for a natter with se of the man who suddenly ps £10,000 on the roulette le?"

he answer is you do not. But report is notable, nonethe-, for relentless vigour, for manner in which it mines and then adopts or ards a multitude of often hly complicated interlocking uments, and brings them ether in its final recomndations.

ome of these are fairly ical, such as the Commis's call for a national lottery support good causes which ld probably achieve a £100m nover in its first year. Some fairly painful, such as the gestion of severely higher es on casinos. If the Comsion's proposed casino tax icture had been in force last r, the total profits of all inos would have been cut from an expected £50.8m to £14.9m. In the case of the big London casinos with an annual cash drop (the money changed for chips) of more than £10m, profits would have fallen from £38.9m to £10.1m.

In some instances, the report is more interesting for the recommendations it rejects as for those it advances. The Commission says no to the idea of an overall Gambling Authority; to evening or Sunday opening hours for betting shops; to an immediate and substantial increase in the Horserace Betting Levy; to a big increase in the maximum turnover of local authority and society lotteries, and to the suggestion that the police have unrestricted rights of entry to members' clubs and miners' welfare institutes.

Above all, the Commission was not enticed by the suggestion that the Horserace Tote be allowed to nationalise all betting shops. What this means in reality is that the Commission has probably killed off the let's-nationalise-gambling lobby, at least for the next 30 years.

Ashley Ashwood

Rothschild: games and gaming

Housey housey

One of the very few intact Georgian housing estates in London has just come on to the market. London agents Chestertons have been asked to sell most of the Lloyd Baker Estate in the London Borough of Islington by the family trust that owns the 95 houses.

The agents have put a reserve value of just over £1m on the estate, breaking it down into £350,000 for Granville Square, £140,000 for Lloyd Baker Street, and £550,000 for Wharton Street, WC1. And to judge from interest aroused so far, the family trust is likely far to exceed the reserve price, despite a mere £38,500 annual rent roll on the 81 fully tenanted houses in the estate.

Islington Council is understood to be discussing the possibility of buying the whole estate. But the keenest buying interest seems to have come from housing associations. On a number of similar offers for sale recently the mass of Government funding available to registered housing associations has made them fearsome bidders, if at a later stage they prove to be rather incompetent developers of inner London housing.

The Lloyd Baker estate recently passed to a cousin of the direct descendent of Thomas Baker and Mary Lloyd, who acquired the land some 200 years ago. Mary Lloyd was the grand-daughter of the Bishop of Worcester, a cleric whose main claim to fame was his imprisonment, along with six other bishops, by King James II.

Clubbing together

AS THE last putt in this year's Open Championship rolls towards the hole, and the winner relaxes into exhilaration, those hard men from the golf trade in the crowd at St. Andrews, may pause for a moment before they unclench their fists.

For British golf has recently come under the scrutiny of the Office of Fair Trading, in its look into restrictive practices.

Mr. Gordon Borrie, Fair Trading director-general, placed some agreements of the Professional Golfers' Association under inspection about a fortnight ago. These cover restrictions on advertising and the supply of goods by the PGA, the ruling body for professional golfers in the UK.

The vital question now is whether Fair Trading will take in the Professional Golfers' Co-operative Association as part of its investigation into golf. The co-operative was set up in 1921 and acts as a giant distributor for Britain's 1,400 golf professionals.

The co-operative, which had sales last year of £5m, is only open to golf professionals who must buy a stake to join. It has members in common with the PGA but no direct connection, according to Mr. Colin Snape, general secretary of the PGA.

The co-operative buys at better prices than any professional can negotiate alone, and supplies in the UK from four warehouses in Manchester, Glasgow, Birmingham, and London.

Since manufacturers until recently tended to *supply* the top ends of their ranges *exclusively to professionals*, the co-operative has found it fairly straightforward to maintain a strong presence at the quality end of the golf equipment market.

Just how strong the hold was —and is—is difficult to establish. Not all professionals buy through the co-operative, which does not trade with all manufacturers.

The system started to come under pressure in the early seventies. New capacity came into the golf market, chasing an illusory boom, and then demand slumped during the recession.

The specialists have tried to carve up the market as fast as possible, using modern retailing techniques.

Mark-ups have been slashed, loss-leaders like golf balls heavily promoted, and advertising used to reach as wide a market as possible. The concentration on volume sales has suited manufacturers.

Gradually the co-operative has weathered the storm and fought back. It has pushed the high quality of service at a golf professional's shop—which can be open seven days a week, 10 hours a day—and it has encouraged professionals to sell to wider markets beyond the club. Profits have started to improve.

Its resilience in the last few years is the best warranty of its commercial independence, according to Marshall Lumsden, managing director of the co-operative.

Contributors:
Michael Thompson Noel,
John Brennan and
Christopher Dunn.

COMPANY NEWS

European increase boosts Rothmans to £80m

DUE LARGELY to increased sales volume and a general improvement in operating profits of the European member companies, pre-tax profits of Rothmans International, the worldwide tobacco group, expanded by 21 per cent from £66.44m to a record £80.6m in the year to March 31, 1978.

At the interim stage Sir David Nicolson, chairman, reported profits ahead by 30 per cent from £29.15m to £37.99m and said that while the outlook remained satisfactory, the strengthening of sterling and higher tobacco tax in some European markets were likely to have some impact on second-half earnings.

Earnings per 12½p share for the full year are shown to have risen from 15.9p to 22.4p basic and from 9.9p to 13.3p fully diluted, allowing for full conversion of bonds.

A final dividend up from 1.1815p to 1.3266p, based on a 33 per cent ACT charge, lifts the net total from 1.5415p to 2.0366p, the maximum allowed, costing £3.22m (£2.88m). In November the directors said they expected to recommend a total dividend of not less than 2.036sp, the maximum then permitted.

Turnover, up 21 per cent from £1.49bn to £1.8bn, includes tobacco duties, end product tax and all other state taxes where applicable, but excludes VAT. Fluctuations in turnover are influenced by changing duties and taxes in the various countries where the group carries on business and accordingly do not necessarily reflect the changing volume of business transacted.

Cigarette sales by member companies of the group exceeded the previous year's level by a satisfactory margin, Sir David states, with the better performance coming mainly from the group's international brands.

In the UK, sales advanced strongly in the face of intense competition and generally adverse trading conditions.

Exports from the UK and other European sources again showed further improvement and reached a new record level.

The higher earnings for the year were attributable largely to increased sales volume and a general improvement in operating profits of European member companies, the chairman explains.

Price increases in some markets relieved the continued erosion of profit margins from inflation but margins remained under pressure in other areas.

UK profits were maintained at the same level as the previous year in spite of the necessity to match the promotional expenditure of competitors in the home market and substantially higher export costs.

Exchange rate movements during the year had some unfavourable effects on export earnings, he adds.

However, after taking into account bond interest, the translation of the profits of overseas member companies and associates *into sterling at the year-end rates,* compared with the rates ruling a year previously, contributed in aggregate some £3.3m to the increase in profit before tax.

Tax charge for the year, £39.95m (£36.04m), included full provision for deferred tax calculated on the liability method, and was split as to: UK £9.29m (£12.3m) and overseas £30.66m (£23.74m).

Net profit came out at £40.65m (£30.4m) and after minorities £5.6m (£5.53m) the attributable amount emerged 41 per cent higher at £35.05m against £24.87m. 5,6,7KE Cigarette £24.87m 120 7

Sir David Nicholson, chairman of Rothmans International — UK profits were maintained.

	1977-78 £m	1976-77 £m
Turnover	1,800.23	1,491.97
Trading profit	87.56	72.47
Share profits of assoc.	7.41	7.16
Conv. bond interest	14.37	13.19
Profit before tax	80.60	66.44
UK tax	9.29	12.30
Overseas tax	30.66	23.74
Net profit	40.65	30.40

See Lex

Yule Catto holders to get £1.8m

A REDUCTION in pre-tax profit profits from £0.94m to £0.68m for the April 29, 1978, half year and *details of £1.78m scheme to repay* 11p per share to shareholders are reported by directors of Yule Catto and Co.

It was intended that a 0.66p net (1p gross) interim dividend would be paid but directors have decided to include the amount in *the capital repayment to avoid* administrative duplication. Last year a 0.6p interim and a 0.787p final were paid.

The 11p will be repaid through the issue and cancellation of 11 new "B" shares of 1p for each ordinary share held. The issue will be financed from the share premium account.

If the scheme fails to gain court sanction each ordinary share of 10p will be subdivided into 10 shares of 1p, the "B" shares will be converted into ordinary shares and every 21 shares of 1p will be consolidated into one 21p ordinary share.

In a circular detailing the proposals, Lord Catto, the chairman, says *that only the first 1.88p of* the repayment will be liable for UK income tax, but that the remainder of the payment will be treated as a part disposal for capital gains tax.

The repayment is being made following the acquisition for some *£2.9m by the Johore State* Economic development Corporation of a 35 per cent share of its Malaysian plantation owning subsidiary.

Lord Catto says directors feel there are opportunities for profitable deployment of the funds inside and outside the UK, but feel that dividend restraint has not allowed shareholders to benefit from the markedly improved results of the group.

The reduction in profit for the half-year came on turnover of £4.76m (£4.74m) and while prospects *for the second half are* enhanced by the anticipated improvement in Malaysia, Lord Catto does not expect full-year *profit to exceed last year's record* £2.49m.

He says the group is in a period of change resulting from the release of cash from Malaysia and the benefit from new investments cannot be expected to come through before 1979.

The introduction of Johore State Economic Development Corporation as a partner in Malaysia with effect from May 27, 1978, should enable the company there to expand into new activities. The recent UK acquisition, Thomas Bell and Company Liverpool, an export trading company, has contributed to the reported profits and management is planning for expansion in its existing business and into new activities.

Its plantations, in common with all other Malaysian plantation companies, have been suffering the cumulative effect of the droughts early in 1977 and 1978. The oil palm crop is 40 per cent below last year which has outweighed the satisfactory levels of palm oil and rubber prices.

But he anticipates that profit for the full year will reach that of last year provided circumstances do not change significantly. The profit attributable to the group will be reduced by the new 35 per cent minority interest.

The UK profit of the group was reduced because of a poor performance by the William Cox group, where competitive pressures in its main markets reduced margins although sales levels were maintained. Action has been taken to improve margins

The profit earned by its marina, Cobb's Quay, was higher than last year. It is hoped that permission for additional berths will be granted in the coming months although the effect of this on profits will not be felt before next year.

After tax of £0.35m (£0.48m) and goodwill of £226,563 written off—which was balanced by a transfer from reserves—available profit for the half year was £0.34m (£0.46m).

At the August 14 EGM called *to approve the repayment proposals* directors will also seek to increase the ordinary share capital to 20m shares to give *directors room to issue shares in* possible takeovers. If approved 19.05 per cent of shares will be unissued.

	1977-78 £	1976-77 £
Turnover	4,763,125	4,737,603
Trading profit	625,781	968,272
Investment income	62,704	24,516
Interest paid	3,983	49,433
Profit before tax	684,502	943,455
Tax	349,094	481,162
Net profit	335,408	462,293
Extraordinary items:		
Goodwill written off†	226,563	—
Transfer from resve.	226,563	—
Available	335,408	462,293

† Arising on the acquisition of Thomas Bell and Co. Liverpool.

ASSOC. BOOK

The directors of Associated Book Publishers are proposing the repayment of the outstanding £338,886 nominal of the 7½ per cent debenture stock 1985-90 at a price of £90 per cent, together with interest accrued to the date of repayment.

• TOWN AND CITY REPORT

The cost of higher interest rates

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

MOST OF the benefits of Town *and City Properties'* £120m refinancing package in April have now been lost through higher interest rates.

The group's 1978 accounts, adjusted to incorporate the refunding, show that debt restructuring and £56m of property sales in the year have cut net borrowings to £249m, and brought the debt to equity ratio from 1977's 4:1 to 3:1.

But with around £150m of variable rate debt still in the books—some £120m in sterling loans—every point rise in MLR still costs T and C an additional £1m a year. And an £8m pre-tax improvement, cutting 1978's loss to £17.3m, left the market unimpressed and the shares ½p lighter at 12p.

Looking at the one bright point on the revenue front, T and C's industrial service division increased its profits contribution by 37 per cent to £3.95m. But the success of the service side only underlines the scale of the residual property problems, with a pre-tax deficit of £21.26m last year, and a portfolio that leaves both shareholders and T and C's *auditors guessing about its worth.*

The group takes the view that its £325.6m property portfolio (£73m of which are development properties), held at cost or on valuations dating back five or six years, "does not lend itself to a meaningful valuation."

The only pointers to worth are the success of the past four year's sales programme, with £300m raised from properties valued at £290m. The group dismisses the suggestion that last year's slip from a £2.4m capital surplus on property sales to a £4.4m capital loss means that the good properties have gone, and future years disposals will undermine the portfolio's book value by showing up residual problem properties. And T and C can show £27m of sales since the year end at a £4m surplus to book values, with more in the pipeline. But who knows? The accounts provide no guidance.

Development commitments have now been pared to just £10m, of which *£7m* is covered by funding commitments. And the group has done much to cut its previous mismatch of overseas currency debts to assets, with overseas properties valued at just over £22m against foreign loans down to £37m.

But it is still difficult to see when sales, service division profits, new letting income and reversions—boosting income by just £5.7m over the next five years—will come into balance, and move ahead of interest charges. Higher interest rates since the year end have clearly stretched the cross-over deadline still further into the future, and market reaction suggests that it may also have stretched shareholders' patience to a point of near *indifference.*

	1977-78 £000	1976-77 £000
Net property income	5,220	5,558
Other income	4,719	3,387
Net interest payable	27,358	34,219
Pre-tax loss	17,319	25,274
Tax credit	6,303	6,672
To minorities	21	*43
Net capital losses	4,356	†2,363
From capital reserve	4,356	‡2,363
Devlpmnt. prop. transfers§	3,542	7,552
Attributable loss	7,504	11,025
Dividend	26	26
Accumulated losses	35,466	27,936

* From minorities. † Profits. ‡ To capital reserve. § From capital reserve.

Second half recovery at Wallis Fashion

A SECOND-HALF advance from £652,000 to £973,000 lifted taxable profits of Wallis Fashion Group, to a peak £1.03m for the full January 31, 1978, year, compared with £732,000 last time.

At the interim stage directors reported a downturn from £80,000 to £53,000 but said that they expected results for the full year to show an advance.

They now state that, so far in the current year, the group is showing a considerable increase *in turnover, which, if maintained,* should result in a marked increase in profits.

Turnover for the year was *ahead from £11.36m to £15.17m* and profits were subject to tax, on the ED 19 basis, of £244,000 against £47,000 leaving a net profit *up at £782,000 (£685,000).*

Earnings per 10p share are shown as 30p (26.2p) and the dividend is stepped up to 4p *(2.5p) net with a final of 3p.* Also proposed is a three-for-one scrip issue.

Directors' valuation of the group's properties resulted in a surplus of *£4.2m (£2.22m).*

Wallis has close status.

Directors state that results were achieved against a background *of poor trading conditions* in the fashion world for most of the year.

But, results in Europe and Eire *were highly satisfactory, they* add, with turnover up by £0.8m to £2.23m.

Since the year-end, the group *has opened seven new shops, and* shops-within-shops, and it is planned to open by the end of the current year. Four of the new *outlets will be on the Continent.*

The group also plans to open a factory at Mold in North Wales in September, which is expected *to make a significant contribution* to the group's increasing requirements by the end of the year.

Wallis is actively engaged in *other negotiations which is hoped* will at least maintain its rate of shop openings in 1979.

John Beales board sits tight on payouts

Though the directors of John Beales Associated Companies are aware of members' concern at the low level of distributions in relation to the company's current profits and reserves, at present the board has no definitive proposal to change the position, Mr. G. H. Bignall, the chairman, told the annual meeting.

The directors originally restricted dividends on the basis of a prudent regard to the long-term interests of the company and shareholders and then restraint was imposed he said. They are also aware that a number of companies have resorted to scrip *issues or preference shares as a* palliative in such circumstances. The board has an open mind on this subject but the directors, as *yet, propose no action in view of* the uncertainty over dividend restraint, and having regard to the existence of convertible loan *stockholders whose interests* would have to be considered and accommodated, Mr. Bignall explained.

As known for 1977-78 the company, which makes underwear and outerwear, paid a total of 2.8832p net out of basic net earnings of 23.4p.

Symonds Eng. lower at £192,495

A second half profit of £100,217 against £97,751 was not enough for Symonds Engineering Company to recover from the interim *downturn, and for the full March* 31, 1978 year pre-tax profits were down from £201,731 to £192,495.

At the halfway stage directors reported profits behind at £92,278 compared with £104,000 on turnover of £0.88m (£0.81m), but they were hopeful that the company would show a continued increase in turnover for the full year. Turnover was in fact ahead at £1.92m (£1.7m) at the year-end.

Tax for the year was lower at *£94,012 (£110,797) leaving* net profit up at £98,483 against £90,954. Earnings per 5p share are shown as 1.917p (1.767p) and the *dividend is lifted to* 1.345p (1.20485p) net, with a final payment of 0.9204p. Symonds has close status.

Suter finishes at £136,431

Despite an exceptional debit of £26,215 for the April 1 1978 year, compared with a £30,852 credit, pre-tax profits of Suter Electrical finished ahead at a record £136,431 against £128,271.

Turnover was ahead from £1.48m to £1.77m. At halfway, directors reported profits of £50,220 (£44,070) on turnover of £0.8m against £0.63m and said that they expected the company would maintain this trend for the full year.

Tax for the year took £83,434 (£65,498) leaving a net profit down from £62,773 to £52,997 before a prior years' tax adjustment credit of £594 (£673).

Earnings are shown to be down from 1.93p to 1.63p per 5p share and the directors announce an interim dividend of *0.3025p and say* that should there be a change in legislation, they hope to increase this payment with a final, to make *a total of 0.5p net. A single 0.275p* was paid for 1976-77.

Suter manufactures hair salon equipment and acts as a whole*saler to the hairdressing trade.*

Governments accused of crucifying bread industry

MR. GARRY WESTON, chairman of Associated British Foods, yesterday attacked the folly of successive governments who have "done so much to crucify" the bread industry and then expressed surprise when one of the major groups collapsed.

He told shareholders at the annual meeting that the industry had been operating on no margins for three years and now the two major companies were being forced not only to keep up their own massive investment programmes but also to purchase assets of those less fortunate.

He called on Government to *cease "bleeding white"* the industry through price controls. "If you mistreat a patient long enough he just won't recover." *Now the industry* needed to be left alone and allowed to make a profit," he said.

A.B. Foods has asked the Price *Commission to let* it reimpose the 22½ per cent ceiling on discounts obtained by retail groups from bread makers which the in*dustry abandoned* at the end of 1976 as a result of a price war.

He described it as "bordering on the farcical" that though deep *discounting had never been* recognised by the Commission as a cost of sale, discontinuing the practice required its consent.

Mr. Weston refused to make a profit forecast for the year, reminding shareholders that his modest predictions last time that profits would exceed the previous year's £80.36m pre-tax, were proven wrong by events in the second half. In the event profits for the year dropped to £76.63m.

Mr. Garry Weston, chairman *of Associated British Foods*—food price inflation of 10-12 per cent seen by end March 1979.

However, he did offer some encouragement with the news that "after a slow start, signs are apparent that we have once again picked up a degree of momentum which should reflect in improved performance from our operating divisions in the months ahead."

The six bakeries bought from Spillers at a total cost of £7½m have integrated well although four of them are far from modern and further heavy expenditure is needed for re-equipment and overhaul of plant, he said.

On the general food front some volume growth had *returned* and the rate of food inflation had *fallen and consumer incomes* had risen.

However, Mr. Weston warned that food prices were on the way *up again and increases in* fresh food prices and the effect of the devaluation of the Green Pound were "almost certain" to drive *the annual rate of food inflation* up to 10 to 12 per cent by the end of March, against a current rate of 6.7 per cent.

Fine Fare, the supermarket chain within the group, would however, benefit from the recovery in non-food retailing and as a result "a benefit to total company sales and profits can be expected, although the price war still clouded the grocery sector.

By the end of the year, with the opening of six more superstores and the development of the *Shoppers' Paradise division,* only 50 per cent of Fine Fare's sales would be coming from the vulnerable, traditional supermarkets.

Mr. Weston concluded his cautious summary of the trading climate by pinpointing a major growth area—the £730m frozen food industry. The industry is expected to grow by nearly a third in the next two years, he said, which offered enormous potential both to the bakery division and to the Angli Frozen Foosd subsidiary as well as two recent specialist companies which the group had acquired.

Gestetner first half downturn

AN ENCOURAGING increase in turnover from £121.36m to *£128.98m is reported by Gestetner* Holdings for the 26 weeks to May 6, 1978, but profits before tax are lower at £13.59m against £15.16m in the same period last year.

The directors say that, as expected, the strength of the pound in the earlier months of the period has resulted in reduced margins. Moreover, the lower interest rates available, particularly in the early months as well, resulted in reduced income from investments and deposits.

In a full current cost statement, pre-tax profit is reduced *further* to £9.79m after additional depreciation of £951,000 and a cost of sales adjustment of £2.85m.

The preliminary results for May and June indicate the trend apparent in the first half has continued, the directors say. *Although new products have* been introduced, and more will follow, it is unlikely that any material benefit from them will *accrue in the second six months.*

Earnings per share for the 26 weeks are given as 15.71p (17.04p) and 11.91p (12.88p) *fully diluted. The interim* dividend is raised from 1.925p to 2.125p and any changes in dividend legislation will be taken into account when a final is recommended.

The dividend total last year amounted to 3.949p from pre-tax profits of £29.78m.

Movements of exchange rates make comparisons difficult the directors say. The comparative pre-tax profit of £15.16m reduces to £14.34m using rates of exchange at the 1976-77 year-end and would appear as £14.61m using 1978 rates of exchange.

A geographical analysis of turnover and profit shows *(in percentages)* UK, 11.6 (11.4) and 32.3 (27.6); other EEC countries 44.2 (42.7) and 31 (29.3); rest of Europe, 7.4 (same) and 4.4 (6.7): *America, 24.3 (24.9) and* 15.6 (18.1) and Africa, Asia and Australia, 12.5 (13.8) and 16.7 (18.3).

The principal UK manufacturing company, as a matter of policy held its prices while the pound strengthened and so suffered re*duced margins, and with few* exceptions, the retailing subsidiaries also suffered reductions in gross profit margins.

Despite this, most companies reported increased gross profits but in many cases, insufficient to cover higher costs, the directors say.

Since the year end, following public issue of shares, India Duplicator Company ceased to be a subsidiary and became an associated company in which Gestetner Holdings has a 40 per cent interest.

Turnover, £1,929,000, and profit £52,000, of this company were included in the group results in 1977; in 1978 the profit attributable to the group's 40 per cent holding, £101,000 has been included under share of profits of associated companies.

	26 weeks 1978 £000	1977 £000
Turnover	128,976	121,36[illegible]
Trading profit	12,376	13,4[illegible]
Income from invests and deposits	1,109	1,72[illegible]
Operating profit	13,485	15,14[illegible]
Share of associates	111	
Profit before tax	13,596	15,15[illegible]
Taxation*	6,340	7,2[illegible]
Net profit	7,256	7,87[illegible]
Dividend	981	8[illegible]
Retained profit	6,275	6,90[illegible]

* Comprises UK tax £4,360,000 (£1,857,000) less DTR £1,883,000 (£[illegible]), overseas £4,252,000 (£5,136,000) less prior year adjustment £439,000 (£45,000).

See Lex

Elliott Grp. £1.3m turnround

BY JOHN MOORE

Elliott Group of Peterborough, the centre of a City row last year over the non-appearance of an*nounced Middle East contracts* and directors' sharedealings, yesterday announced losses of £189,000 for its last financial year. The shares fell 4p to 16p on the news.

The reported loss to March 31 compares with a pre-tax profit of *£1.13m in the previous 15-month* trading period.

Group turnover slumped from £28.87m to £16.01m. The overall *loss for the year of £189,000 was* arrived at after exceptional and non-recurring items amounting to £212,000 in respect of reorganis*ation costs and the write-off of* unquantified tendering expenses. These relate to "certain Middle East contracts which will not be *pursued in the future.*"

An extraordinary item amounting to £174,000 mainly arises from the transfer of the manufacturing operation of Medway Joinery (Scotland) "and a re-assessment of a group property."

Comparison with the half-year position is said to be difficult because of the differing periods of the financial years. The group estimates that it made a profit of £130,000 in the second half of *the year, although at the half-way* stage a loss of £247,000 was reported. In these circumstances a dividend of 0.25p per Ordinary *share is recommended. Elliott did* not pay an interim dividend.

Elliott, which makes portable buildings, now intends to concen*trate on its traditional activities* rather than chase after ambitious overseas orders, and at the same time to realise surplus assets to *reduce borrowings.* The group indicated yesterday that debt had been contained at around last year's level of £3.4m short term *and £412,000 of medium term* loans. It's stock market value is £2.1m.

Elliott does not intend to pull *out of the Middle East, however,* in spite of its experiences. An order of "not less than £18m" in Saudi Arabia which was reported in a letter to shareholders at the half way stage as having "reached the final stage of negotiation" is not proceeding. The newly appointed chairman Mr. A. W. Houston said yesterday: "that has been suspended by the Saudi School Authority, our client, who is reassessing the *Saudi schools' programme.*"

On the make-up of the second half profit, Mr. Houston said that "with the exception of Medway Industries it represents an across the board advance in all companies."

Meanwhile, the Department of Trade is still investigating the share dealings of Mr. Edmund Smeeth, the former chairman, and two former directors. It is studying share sales by the three men after the announcement of £34m worth of overseas orders during the last financial year which failed to materialise.

	1977-78 12 mths. £000	1976-77 12 mths. £000
Turnover	16,011	28,571
Trading profit	43	1,178
Less exceptional non-rec. items	212	—
Loan stock interest	20	47
Loss before tax	189	*1,131
Tax	159	651
Extraord. debit	174	77
Dividends	35	342
Retained deficit	399	†161

* Profit. † Surplus.

Lebus in the red at midway

DIRECTORS OF Harris Lebus, furniture manufacturer, state that the expected upturn in demand for furniture did not materialise in the 26 weeks to April, 1978, giving rise to widespread price cutting and, thus, severe pressure on margins.

They report a turnround from a profit of £131,000 to a loss of £338,000 for the period, on turnover up from £6.33m to £7.94m. Profit for the *whole of the 1976-77* year was £302,000.

Vigorous action has now been taken to reduce overhead costs, *they add, while output is being* maintained at current levels. The market is expected to improve this autumn, they say, and a re*duced loss for the second half is* forecast.

Harris incurred very substantial costs, during the period, fol*lowing a component fault on one* of the company's best selling ranges. Directors say this fault has now been corrected.

Loss per 25p share is shown as 15.7p for the half year against earnings of 6.1p last time and 12.3p for the 1976-77 year. For that year a 3.27p net dividend was paid.

With no tax charge the attributable loss was £338,000; the comparative came out at £243,000 profit, boosted by an extraordinary credit of £112,000.

	26 weeks 1977-78 £000	1976-77 £000
Turnover	7,943	6,329
Trading loss	293	†145
Interest payable	45	14
Pre-tax loss	338	†131
Extraord. credit	—	112
Attributable loss	338	†243

† Profit.

Capital & Counties Putney plan

The directors of Capital and Counties Property have applied for consent to re-develop the company's laid at Ferry Works and *Lacy Road, Putney.*

The development will provide 60,000 square feet of new shops, including a large store for a supermarket or similar use, 30,000 square feet of offices, 10 maisonettes and parking for 200 cars, with the option of developing part *of Lacy Road to form a new* public open space.

Capital and Counties acquired the land for development between 1964 and 1967, but until decently it was not possible to proceed because of the uncertain future of the local road network. With publication of a new town plan, the company hopes to make an early start on developments.

Theakston funded by London Trust

The directors of T. and R. Theakston, the independent family *brewery based in Masham,* Yorkshire and Carlisle, Cumbria, announce that, subject to shareholders' approval, they have agreed a capital funding of £400,000 by London Trust Company.

As a result of the transaction, London Trust will own 48 per cent of the enlarged equity which is to be treated as a long-term investment. The new monies are to be used to further promote the growth of the company both at home and overseas.

Midyear growth for Atlantic Computer

THROUGH MAINLY greater productivity in the sales organisation and the availability of reasonably priced second-user equipment for lease, Atlantic Computer Leasing improved taxable earnings in the first half of 1978 to £682,470 on sales of £4.66m. For the previous full year profit was £738,795 with sales at £6.68m.

The directors expect continued growth in the second half with turnover reaching at least £10m.

During the half-year there was a strong demand for the 370 Flexlease leasing program and profit benefited from a rise in investment income to £55,920. At midway net assets stood at £1.9m compared with £1.29m at the end of 1977.

Hartwells ahead in opening four months

Profits at Hartwells Group for the first four months to June 30, 1978, showed a substantial improvement against the same period of last year and it was anticipated that the first-half surplus would show an advance, the annual meeting was told. Midway pre-tax earnings last time *reached £900,000.*

A new company called Hartwells Group (Contracts) had been set up to deal with contract hire business, it was stated.

The company's move from the Park End Street, Oxford, premises to the larger premises in Botley Road, Oxford, was accomplished on July 1.

Boom for Weir Electronics

Sales by Weir Electronics leaped 66 per cent to £2.5m in the year to June 3, 1978. Orders received by the Bognor Regis-based company reached £3m during the period.

For the first month of the current year sales exceeded £100,000 and orders £400,000. More than 85 per cent of this business related to custom designed power supplies.

Results due next week

— The big names on next week's Stock Exchange list for company announcements are Rank Organisation and Lloyds Bank from whom interim results are due. Also, Unigate is due to release its full-year profits along with Illingworth Morris and Hogg Robinson. Union Discount, while not releasing figures, will give an indication of its first half performance.

Lloyds Bank kicks off on Friday the latest interim results *season of the clearing banks. The* market is expecting around £84m pre-tax from the group, but there is a wide range of estimates with one broker going for as much as £97m

What will have supported Lloyds' performance this year, during a period when base rates were on average well below those of the comparable first half, is substantial volume growth in consumer lending. In addition *Lloyds Bank International* is doing well and a good contribution is expected at the associate level from Lloyds and Scottish.

There is some uncertainty among analysts about the half year results due from the Rank Organisation on Monday. All *being well the group is expected* to turn out virtually unchanged pre-tax figures of around £60m. Non-Xerox interests, the trouble*some side of the past, are on the* mend and should turn out £7m compared with £0.6m thanks to reduced losses in Rank Radio, and better performances in property, hotel, and cinema interests. The puzzle is the Xerox side where profits are likely to have been affected by adverse currency movements. Expectations are that the Xerox side should contribute £53m, *but there are fears that* because of currency factors the contribution could drop to under £50m, in which case the overall *forecasts could be well adrift.*

Analysts until recently were forecasting between £24 and £25m for the full year from Unigate, *but with reports of better trading in the final quarter,* this has been revised upwards, with some expecting up to £27.5m, against £24.5m last time. Milk volume, around 4 per cent lower in the earlier part of the year, has shown some improvement, while the dairy produce side is also on the upturn. For some years now milk and milk products have been hard hit by excess supplies in Europe, which followed steep price increases and a significant *fall-off* in demand. The situation was made worse by imports of New Zealand butter under agreements made when *the UK joined the* EEC. Consequently the home market has been a bit of a struggle and Unigate has had to *depend on overseas operations to* provide growth. The results are due to be announced on Thursday.

Trading prospects at Illingworth Morris are still dogged by subsidised imports of wool and cotton textiles. And export markets, which account for around 42 per cent of group sales, have recently become more difficult. Nevertheless, the company has continued *its recovery mainly* because of rationalisation at Huddersfield and the closure of some factories, while there has *been some progress towards* reducing the high level of short-term debt. At the halfway stage profits almost doubled to £2m and *the company said* this trend should be maintained in the second half. Analysts are expecting at least £4.2m for the year, which compares with £3.77m last time. The results are due Tuesday.

Lower interest rates and the increase in the exchange value of *the pound in the second half of* Hogg Robinson's 1977/78 year have led analysts to estimate a lower profit growth rate for the *full period than the 25 per cent* established at the halfway mark. The consensus is for a figure of £9.5m with a range extending *from £9.2m to £9.7m. A more* profitable mix of insurance business appears to have brought about a reduction in the expense *ratio of the insurance broking* operations, and analysts are looking for increased contributions from the associated companies plus the freight and travel activities. The uncertainty lies in the contribution from the Lloyd's *underwriting agencies. While it* is possible to have a view of Lloyd's overall performance it is very difficult to get an idea of *the fortunes of individual* syndicates.

Given the sharp rise in interest rates and the depressed state of *the gilt-edged market* it would be very unusual if Union Discount did anything more than reiterate Alexanders Discount Co's comment at the beginning of July that trading was unprofitable. All the discount houses have been running their books down since February and have been swithching into certificates of deposit, financed by a higher proportion of call funds. At the start of the year MLR was 7 per cent before *it lurched briefly down to 6½ per* cent. Since then it has jumped back to 10 per cent. The FT Government Securities Index *started the year at 78.09 and* ended the six months to June 30 at 69.52.

Other results to note include those from Montague Meyer (final, Monday), Magnet and Southerns (final, Tuesday), Dowty Group (final, Wednesday) and Birmid Qualcast (interim, Wednesday).

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
A.G.B. Research	Wednesday	1.3	0.75[illegible]	1.1
[illegible] Industries	Wednesday	1.1	1.7832	1.2246
[illegible] Industrial Group	Wednesday	0.925	0.675	[illegible]
Atlantic Assets Trust	Thursday	—	0.4	—
[illegible]	Tuesday	1.5	2.85	1.5
[illegible] Group	Wednesday	0.5	0.5	0.6
[illegible]	Tuesday	1.025	4.15	1.815
[illegible] Holdings	Thursday	5.5	6.1	[illegible]
[illegible]	Wednesday	1.0	2.1005	1.125
Common Market Trust	Friday	22.08	1.0[illegible]	20.5[illegible]
[illegible] Investment Trust	Tuesday	—	—	—
[illegible] Group	Wednesday	1.08	2.2	2.21
[illegible]	Thursday	—	2.475	—
Gordon and Gotch Holdings	Thursday	1.19193	1.21026	2.64
Hampson Industries	Wednesday	0.245	0.47192	0.275
[illegible] (Holdings)	Tuesday	1.1	2.767	1.3
Hogg Robinson Group	Tuesday	2.25	2.275	2.61
[illegible] and E.S.A.	Thursday	1.05625	2.96783	1.17975
[illegible]	Friday	—	4.0	—
Illingworth Morris	Tuesday	0.567	0.7567	0.5
Johnson-Richards (H. & R.) Tiles	Tuesday	1.3925	1.9145	1.656
[illegible] (Holdings)	Tuesday	1.6	2.38	1.8
[illegible] Investment	Friday	[illegible]	1.1	0.9
[illegible] International	Wednesday	1.25	2.179	1.396
Magnet and Southerns	Tuesday	7.0	3.0	3.5
[illegible] Thomson and Evershed	Wednesday	0.8675	0.9867	0.7679
[illegible]	Monday	1.1	2.86846	1.7
[illegible]	Thursday	—	0.5	0.5
[illegible] (Alfred)	Monday	0.416	1.06895	0.375
Provincial Cities Trust	Thursday	0.525	0.5175	0.58
Rothschild Investment Trust	Monday	2.75	5.27	1.5
Russell (Alexander)	Thursday	1.219	0.7045	1.44
S. and U. Stores	Monday	Nil	Nil	[illegible]
[illegible] Refreshment Houses	Wednesday	—	1.075	—
[illegible] General Investment	Wednesday	0.9	1.51	1.06
[illegible]	Tuesday	1.4	2.05378	1.4
Thorn Electrical Industries	Tuesday	2.12143	4.21145	2.45
Tomkins (F. H.)	Thursday	0.3	0.5666	0.35

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
Trustees Corporation	Thursday	1.5	2.7	1.5
Unigate	Thursday	1.21	1.8672	1.33
Vita-Tex	Thursday	1.2	2.0	1.1
Western Board Mills	Tuesday	1.1	2.2	1.2
Wyndham Engineering	Wednesday	—	1.54	—
INTERIM DIVIDENDS				
A.C. Cars	Thursday	0.35	0.6	
Allied Textile Companies	Thursday	2.5255	3.95073	
Associated Fisheries	Thursday	1.2	1.8	
Bank Leumi (U.K.)	Wednesday	2.68	4.68535	
Berisfords	Thursday	0.7043	1.7186	
Birmid Qualcast	Wednesday	1.35	3.107	
Bullough	Thursday	2.645	2.9554	
Carliol Investment Trust	Friday	1.0	2.551	
Derby Trust	Thursday	6.299	7.12	
Hirst and Mallinson	Wednesday	0.5	0.9	
Inveresk Group	Wednesday	1.375	3.4892	
Kershaw (A.) and Sons	Monday	3.78125	11.960975	
Lloyds Bank	Friday	4.15	4.9384	
London and Lomond Investment Trust	Thursday	0.7	1.7	
Lowe (Robert H.)	Friday	0.975	3.025	
[illegible] Holdings	Monday	0.195	0.2	
Meldrum Investment Trust	Tuesday	0.625	1.225	
Plantation Holdings	Wednesday	2.1785	—†	
Rank Organisation	Monday	2.115	5.345622	
Romney Trust	Thursday	0.5	1.55	
St. Andrew Trust	Thursday	1.5	2.65	
Status Discount	Monday	0.85	2.409	
[illegible] Holdings	Thursday	1.65	2.4	
Tyneside Investment Trust	Friday	1.0	2.557	
Union Discount	Wednesday	6.375	9.43725	

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Second interim. ‡ Directors stated that it was not possible to recommend final dividend as interim represented maximum allowed under present legislation. It was their intention to pay a special dividend of [illegible]p in August 1978 subject to unforeseen circumstances. § Net of Jersey Tax at 20 per cent. ¶ Includes second interim of 0.250p. a Per £1 share.

Hambros tops up reserves

TRANSFER of £2.5m from re- ned earnings to inner reserves disclosed by Hambros in its ounts. These reserves were luced in the March 31, 1978, ar by substantial provisions ainst shipping loans.

n their report with accounts, ectors say the provisions eeded transfers—disclosed and disclosed—made to inner erves.

As previously reported results the year were affected by the ovisions which were largely ered by the inner reserve nsfers, and profit was down m £6.26m to £5.17m.

n his annual statement Mr. celyn Hambro, the chairman, ows no further light on the rwegian shipping loans, and s that the provisions are con- ered to be realistic in all the cumstances, and at present-day pping values.

I is shown in the accounts that ns made against the security ships have been written down estimates of recoverable ounts based upon the estimated rent value of the security held. oans, advances and other ounts are shown in the ounts down from £534.67m to 8.94m.

Mr. Hambro points out that the oup's capital and reserves stand £64.95m and that the current rket value of its investments listed associate companies ceeds by £20m the £13.64m book lue. "Nor should it be forgotten it, shipping apart, the group has d a most successful year," he ds.

On the group outlook he says at significant market changes re a feature of the past year d says directors must expect s will continue to be so for the ture.

One of the more unsettling ctuations is the continuing akness of the U.S. dollar with potentially adverse effect on orld economic activity. He says would be much more optimistic out the future if there was re indication that action by the U.S. authorities was able to halt and reverse this trend.

An inflation accounting statement shows that the adjustment —net of tax and minorities— needed to be made to the free banking capital of the group was £3.27m in the year compared with £8.33m previously. After a £395,000 (£329,00) cost of sales adjustment, additional depreciation of £50,000 (£36,000) and a gearing adjustment of £294,000 (£259,000), the aggregate reduction in profit is shown at £3.42m (£6.44m).

During the year current deposit and other accounts, including inner reserves and tax on profits, rose from £967.74m to £1.05bn, and acceptances for customers were £257.96m (£225.95m).

Of current assets of £601.96m (£465.39m), balances with bankers and money at call totalled £221.35m (£175.2m) and term loans to banks and local authorities were £344.22m (£242.23m).

The Hambro Trust owns 14.8 per cent of the equity and 49.99 per cent of the votes of the company.

Meeting, August 7.

See Lex

RAMOR INVS.

Mr. Edmund Dell, Secretary of State for Trade, has appointed Mr. Hugh Bernard Harwood Carlisle, QC, to act as an inspector with Mr. John Oliver Robertson Darby, chartered accountant, to investigate the affairs of Ramor Investments (formerly Bryanston Finance) in place of Mr. Michael John Mustill, QC, who has withdrawn from his appointment, following his elevation to the Bench.

TRIBUNE INV.

Net assets per share of Tribune Investment Trust amounted to 96.8p at June 30, 1978, compared with 89.7p. In yesterday's report these were incorrectly given as earnings per share.

UNIT TRUSTS

Growth funds on offer

DO INVESTORS who need income o into hibernation in summer? ou might well think so, from e preponderance of growth nds being advertised today. Only e set of fund managers, hlesinger, is trying to attract e attention of investors who ed income now. Its Preference d Gilt Trust yields all of 12.6 r cent to investors with the cessary minimum of £500 to vest.

The income is undoubtedly tractive; in fact you would be rd pushed to find as much elsehere without going directly into dividual stocks. There are one two drawbacks of which you ght to be aware before you mmit yourself, however. In the rst place the income will not crease to keep pace with inflaon—in fact, unless Schlesingers' nd managers are remarkably curate in their timing, the come will not grow at all. And the second place, while there ay indeed be the "useful degree capital appreciation" which hlesingers expects over the edium to longer-term—assuming at interest rates are set to fall— the meantime the need to mainn a high level of dividend payents inevitably reduced the anagers' freedom of action when nes are tough.

Apart from M and G, which this eek is confining itself to an invition to the investor to grow in sdom, all the other fund anagers advertising this weekd have growth funds on the cks. It's true that Target's Special Situations Fund is scheduled to develop some income attractions as well, for the managers are planning to get the yield up from the present 4 per cent to 7 per cent over the next year to 18 months: but capital growth is really the object of this reincarnation of the old Coyne Growth Fund. The portfolio— completely reconstituted under Target's management—is composed of shares in companies where recovery, takeover prospects or underlying assets all suggest that value is to rise. The minimum investment is £300.

Arbuthnot, having put the cat among the pigeons last week, has this week reverted to a less contentious product, its North American and International Fund. The American market is not the white hot favourite that it was earlier in the year, but that isn't necessarily a bad thing for investors: it means that the fund ought to be able to get in at sensible prices. Arbuthnot's fund is very largely invested in smaller companies, which means that it's performance will probably be relatively steady.

Finally, for those who like to back outsiders, there is Barclays Unicorn Australia. Unlike those of its Far Eastern neighbours, the Australian market has now shown little tendency to take off: but Barclays Unicorn is convinced that all this is about to change, and that the underlying strength of the Australian economy will find its way through into share valuations.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
ebenture Corp. ......int.	0.8	Aug. 31	0.75*	—	2.4*
llott Group	0.25	—	1.67	0.25	2.7‡
steiner ....int.	2.13	Sept. 5	1.93	—	3.95
thmans Intl.	†1.33	Oct. 2	1.18	2.06	1.84
ter Elect.	0.3	—	0.28	0.3	0.28
allis Fashion	3	—	1.5	4	2.5

vidends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital creased by rights and/or acquisition issues. ‡ For 15 months. Based on 33 per cent tax charge.

Dividend amendments

As a result of the reduction in e basic rate of tax, the following mpanies have amended their vidends:

Cawdaw Industrial Holdings: e dividend is to be increased om 2.4212p to 2.4579p.

Burtonwood Brewery Company orshaw): A rise of 0.032p from 104p to 3.456p.

Weston-Evans Group: The net final payment will be amended to 2.16598p making a net total for the year of 3.08269p.

Polymark International: The directors are recommending a final of 1.4025p instead of 1.36125p.

Henderson-Kenton: The proposed 2.17p gross final for the year to March 31, 1978 will now be 1.453p net.

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN	F330	—	—	1	36	—	—	F364
ABN	F340	—	—	—	—	2	27.50	..
ABN	F370	—	—	2	4.50	—	—	
AKZ	30	—	—	42	2	43	3	F29.10
AKZ	F32.50	—	—	—	—	104	2	..
GM	$60	—	—	10	2⅜	—	—	$60¼
HO	F37.50	—	—	6	1	3	1.50	F3[illegible].70
IBM	$240	—	—	5	24	—	—	$261¼
IBM	$260	7	2⅝	2	9½	2	13¾	..
IBM	$280	—	—	5	3¼	—	—	..
KLM	F140	—	—	3	17	—	—	F150.70
KLM	F150	—	—	20	10	19	16	..
KLM	F160	55	0.30	9	7	13	10.50	..
KLM	F170	55	0.20	55	4.50	1	7	..
KLM	F180	50	0.10	2	2.50	11	7	..
KLM	F190	—	—	5	1.80	3	4.50	..
KLM	F200	—	—	202	1.20	55	2.90	..
KLM	F220	—	—	62	0.70	3	1.50	..
NN	F88.90	—	—	3	6.70	19	8.50	F100.80
PHI	F25	—	—	39	1.70	7	2.30	F25.90
PHI	F27.50	—	—	20	0.50	31	1.20	..
RD	F120	36	12.70	32	14	—	—	F133
RD	F130	72	5	42	6.20	—	—	..
RD	F140	—	—	—	—	1	2	..
UNI	F120	8	1.80	—	—	—	—	F122.20

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Bowater Corporation is making an agreed £7m offer for **Crossley Building Products.** The terms are 105p cash for every ordinary share and 60p cash for each of the 4.2 per cent cumulative preference shares. The offer price is linked to a profit forecast by Crossley's directors.

Aluminium converter **W. G. Frith** is poised to return to private ownership after almost 40 years as a public, albeit closed, company. Three of the Frith family are making a 70p per share bid, valuing the whole of the equity at £368,000. The trio already control 64.2 per cent of the company.

The directors of **Wood and Sons,** who own 39 per cent of the equity, are opposing the offer from **Newman Industries** in 10 per cent preference shares with a cash alternative. They say that becoming a subsidiary of Newman contains disadvantages outweighing the financial considerations and emphasise that Grindley of Stoke, the pottery company with which Newman wants to merge Wood, is an unsuitable trading partner.

Mooloya Investment's £1m bid for **Customagic** has been declared unconditional following acceptances representing 56 per cent. However, Customagic's independent directors have announced that they would not accept Mooloya's loan stock and intend to retain their 23 per cent of the equity.

Beecham has offered £14m cash for the British-based paints and toiletries group, **Scott and Bowne.** The offer has the backing of the Scott Family Trust and supporters controlling 59.3 per cent, and a spokesman for Beecham said that the offer price of £13.50 for each ordinary share reflected the earning potential of S and B which generates two-thirds of its sales in the Far East and Australia.

Listing of the shares of **Knott Mill,** carpet retailers, was restored following an announcement that talks that might have led to a bid for the company have been terminated.

The shares of clothing group **W. L. Pawson** were suspended at 42p pending expansion plans which involve the agreed reverse take-over for £1.27m cash of **C. H. Bernard and Sons,** a family-owned concern which manufactures and retails military and civilian uniforms in the UK and Malta.

Serck intends to buy the facilities and products of the Aloyco division of the Walworth company from **Atlantic Richfield** in a deal worth $25m. Serck is the first of the European industrial valve makers to move into the U.S. and if the expected deal goes through, it will become number three in the world league in its particular field.

Mr. Eric Norris, chairman of **Worcester Controls UK,** and his two brothers have reluctantly accepted **BTR's** $30 a share offer in respect of their 12.3 per cent stake in the U.S. parent group Worcester Controls Corporation following the acceptance of the U.S. directors in respect of their 32 per cent holding. The purchase of the Norris' stake takes BTR's holding in Worcester to 46.8 per cent.

Prices in pence unless otherwise indicated.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid (£m's)**	Bidder	Final Acc't'ce date
Albright & Wilson	195*§	187	123	115.04	Tenneco	—
Bridgewater Tst.	6.6*	7½	7	0.397	Sagest SA	12/7
Cornercroft	65*	65	56	1.62	Armstrong Equipment	—
Crossley Building Products	105*	103	64	7.07	Bowater	—
Customagic	21*	18	19½	1.10	Mooloya Invs.	—
Eastwood (J. B.)	132*	124	90	31.53	Cargill	—
Econa	94½†	90	72	3.90	Newmn.-Tonks	—
Fluidrive Eng.	82½	80	82	5.67	Assocd. Eng.	—
Fluidrive Eng.	74½	80	55	5.11	Thos. Tilling	14/7
Harrisons Malaysian Ests.	102½§	114	90	124.8	Harrisons Crosfield	13/7
Henderson (J. W.)	210*	205	155	5.65	Cement-Roadstone	—
Henshall (W.)	20*	22½	18	0.50	Bovbourne	—
Henshall (W.)	30*	22½	21	0.75	Petford	14/7
Investment Trust Corp.	281½	273	255	88.48	Barclays Bank/P.O.P.F.	12/7
KCA Intl.	29*	26½	28	7.7	Mr. T. Ward	—
Leslie & Godwin	125*	118	116	24.51	Frank B. Hall	—
Lond. & Liverpool Trust	21*	25	19	0.52	Aschheim Secs. & W. & A SA Zug	—
Miln Masters	200*	198	163	4.23	Hilleshog AB	—
Mitchell Cotts Transport	83§	78	82	1.28	Mitchell Cotts Group	—
St. Kitts (London) Sugar	200*	200	170	0.78	Industrial Equity	—
Spooner Inds.	65*	87	53	2.76	Redmn. Heenan	—
Spooner Inds.	80*	87	77	3.39	Sandvik	—
Tridant Group Printers	63*	68	55	2.76	Starwest Inv.	—
Turner Mfg.	145*	141	124	14.50	Dana Corp.	17/7
Wettern Bros.	120*	113	58	2.02	W. J. Glossop	—
Wood & Sons	59½	55	48	2.38	Newmn. Inds.	19/7

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 13/7/78. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Based on 14/7/78.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Bonser Engrg.	May 31	105	(211)	0.42	(0.42)
Countryside Prps.	Mar. 31	213	(49)	1.005	(0.162)
Deanson (Hldgs.)	Mar. 31	115	(85)	—	(—)
Glass Glover	Mar. 31	132	(128)	0.262	(0.238)
Imperial Group	Apr. 30	59,000	(67,500)	2.25	(2.25)
Jackson (J.&H.B.)	Mar. 31	1,198	(1,160)	0.5	(0.406)
Macpherson (Did.)	Apr. 30	1,740	(1,369)	1.25	(0.944)
Mears Bros.	Mar. 31	1,496L	(300)	Nil	(1.78)
Neil & Spencer	May 31	363	(281)	1.15	(0.813)
Watson & Philip	Apr. 28	427	(502)	0.852	(0.763)
Wearra	Mar. 31	178	(102)	0.447	(0.406)

(Figures in parentheses are for corresponding period) Dividends shown net except where otherwise stated. * Adjusted for any intervening scrip issue. † Includes interim and second interim. If dividends restaint is lifted company will pay net final of 1.915p. ‡ Includes interim and second interim. If no new dividend restraint is introduced, final dividend of 0.33p will be paid. L Loss.

Offers for sale, placings and introductions

£1.5m £110 per cent cumulative preference shares.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Allied Colloids	Apr. 1	4,539	(4,999)	5.5	(5.7)	1.694	(1.517)
Assoc. Leisure	Mar. 12	3,493	(2,218)	9.8	(5.4)	3.019	(2.702)
Boulton & Paul	Mar. 31	6,240	(6,780)	13.4	(13.1)	7.4	(7.6)
British Building	Mar. 31	260	(224)	10.1	(10.1)	2.681	(2.437)
Bristol Channel	Mar. 31	337	(152)	0.5	(0.3)	0.203	(0.262)
Bulmer (H. P.)	Apr. 28	2,853	(3,866)	23.3	(35.7)	6.633	(3.178)
Carclo Engrg.	Mar. 31	977	(946)	13.2	(13.9)	2.796	(2.682)
Celtic Haven	Mar. 31	109	(101)	1.1	(1.3)	0.323	(0.293)
C. H. Industrials	Mar. 31	799	(623)	6.8	(8.2)	2.0	(1.472)
Christie-Tyler	Apr. 30	1,810	(2,550)	8.7	(14.2)	4.797	(4.296)
Crown House	Mar. 31	3,291	(2,607)	6.7	(5.3)	3.8	(3.05)
Daejan Hldgs.	Apr. 31	2,470	(1,840)	10.8	(6.6)	2.997	(2.925)
Diamond Stylus	Mar. 31	204	(126)	4.7	(3.1)	0.958	(0.882)
Distillers	Mar. 31	162,500	(133,600)	22.0	(17.4)	7.259	(6.506)
E.R.F. Hldgs.	Apr. 1	3,280	(1,700)	45.5	(19.1)	2.42‡	(2.185)
Fullers	Mar. 31	1,190	(1,020)	27.5	(22.5)	5.8	(5.221)
Heywood Williams	Apr. 30	562	(82)	21.0	(—)L	4.69	(Nil)
Howden Group	Apr. 30	4,901	(4,646)	15.3	(5.0)	4.087	(3.66)
Jacksons B. End	Apr. 1	157	(26)L	7.3	(—)L	2.0	(Nil)
Jenkins (R) (Hgs)	Mar. 31	1,340	(1,310)	60.6	(59.0)	19.6	(17.5)
Latham (James)	Mar. 31	960	(1,320)	22.3	(23.8)	7.54	(6.686)
Macdonald Martin	Mar. 31	1,337	(922)	47.2	(15.7)	9.3	(8.448)
Marling Inds.	Mar. 31	899	(476)	4.4	(2.0)	1.13	(0.904)
May & Hassell	Mar. 31	321	(1,394)	3.5	(16.8)	3.064	(2.772)
Ratners	Apr. 6	1,590	(1,410)	8.0	(7.5)	0.427†	(0.382)
Raybeck	Apr. 29	6,410	(4,670)	9.8	(6.6)	3.364	(3.012)
Rotaprint	Apr. 1	313	(411)	6.6	(6.5)	4.443	(4.063)
Textured Jersey	Apr. 30	276	(126)	4.2	(2.9)	1.0	(Nil)
Trafford Carpets	Mar. 31	32	(110)	1.5	(3.7)	1.675	(2.031)
Unilock	Apr. 2	808	(748)	9.2	(8.0)	4.9	(4.55)
United Gas Inds.	Apr. 2	2,040	(1,440)	9.2	(6.1)	3.63	(3.25)
Watson (R. Kelvin)	Mar. 31	555	(343)	8.8	(5.3)	2.383	(2.138)
Wigfall (Henry)	Apr. 1	1,370	(1,090)	26.7	(21.0)	7.5	(4.84)
Wilkinson Match	Mar. 31	14,304	(12,346)	22.8	(20.2)	10.0	(8.312)
S. W. Wood	Mar. 31	69L	(329)L	—L	(—)L	4.293	(3.807)
Wrighton (F.)	Mar. 31	328	(346)	2.9	(2.1)	1.083	(1.083)

Scrip Issues

Bristol Channel: One for 10 ordinary.
Diamond Stylus: One for two ordinary.
G. H. Downing: One for one ordinary.
ERF Holdings: One 10 per cent preference for eight ordinary.
G.R. (Holdings): Subdivision of ordinary 50p share into 25p shares. One and a half £1 10½ per cent second cumulative preference shares and two new ordinary shares for each ordinary 50p share held before subdivision.
Latham (James): One new £1 8 per cent cumulative preference share for three ordinary or five "A" ordinary.
W. E. Norton: 11 for 10 ordinary.
Raybeck: One 10½ per cent cumulative preference share for ten ordinary.
Rotork: One preference for six ordinary; one new ordinary for one ordinary.

Rights Issues

Blackwood Hodge: One-for-five at 50p
W. E. Norton: One-for-five at 35p.

BIDS AND DEALS

Albright tops £16m in first five months

PRE-TAX profits of Albright and Wilson for the first five months of 1978 were £16.3m against £14.1m, according to management accounts. This is revealed by Mr. D. W. Livingstone, the managing director and deputy chairman in his letter to shareholders recommending the 195p per share offer from Tenneco.

Mr. Livingstone tells shareholders, "The UK directors view with sadness the disappearance of Albright and Wilson as an independent UK company, as I know do many of our employees and shareholders." However, he recommends the offer as "fair and reasonable" bearing in mind that the shares were at a much lower level before the bid was announced.

Trading conditions are still unsettled, according to Mr. Livingstone, so the directors are keeping to the forecast in the last annual report that 1978 would see no dramatic change in profits either up or down.

Tenneco, the 19th largest U.S. industrial company, already owns 49.8 per cent of Albright and has the right to convert loans to increase its holding to 50.5 per cent. It proposed an offer of 165p per share in May which the Albright Board rejected. But Albright agreed to the figure of 195p per share.

Trade union opposition threatened the success of the bid for a while until mollified by assurances from the Tenneco management. Tenneco also made assurances to the Government before getting clearance from the Department of Prices and Consumer Protection and the Department of Industry.

Tenneco has informed the Government that it intends to apply a portion of the cash flow from the Heather oil field in the North Sea to development of its UK operations including Albright.

The bid is by way of a scheme of arrangement so it will go through providing that three-quarters of the votes cast at a special meeting are in favour.

NEWMAN REPLIES TO WOOD & SON

Newman Industries has come rejection of the points raised by back with a strongly worded Wood and Sons, the pottery group whose directors are opposed to Newman's bid.

Wood had claimed earlier this week that Grindley of Stoke, Newman's own pttery company with which it wants to merge Wood, was short of work. Newman now says that it is working at near capacity and orders are 32 per cent above those of a year ago, compared with Wood's stated 27½ per cent upturn.

Newman als claims that its wide industrial base will be an advantage for the pottery company and says thta almost all the country's thriving pottery firms are those within such groups.

It also oints out thta Wood's Board considers the offer fair and reasonable on financial grounds and reminds shareholders that the cash alternative (worth 55.8p) to the 60p in preference shares, closes on July 19.

BRIDGEWATER

Bridgewater Investment Trust has now cleared all the obstacles which might have threatened its recently regained share quote.

Its shares were suspended earlier this year after the Law Debenture Corporation alleged that loan stock trust deeds had been breached. The trust regained its quote following a takeover bid from Sagest SA the Swiss financial holding group.

However, this still left the question of the Law Debenture allegations unresolved but Bridgewater—now 55 per cent owned by Sagest—said yesterday that it had dropped the litigation commenced against Law Debenture and had agreed to repay its 7½ per cent unsecured loan stock 1985/95 at par.

POOR RESPONSE TO REDMAN HEENAN

Redman Heenan has received acceptances covering only 919 ordinary Spooner Industries shares for its 65p cash offer which was rejected by the Spooner Board and topped by an 80p cash bid from the Swedish group Sandvik which the Spooner board has also rejected.

In an announcement yesterday Redman Heenan said it was extending its offer to July 28, which is also the Sandvik offer closing date.

PETFORD EXTENDS HENSHALL OFFER

Petford, the alternative bidder for W. Henshall and Sons (Addlestone) which is already the subject of a technical "shut out" bid from Bovbourne, is extending its 30p offer for a second time.

The new closing date is now July 21 and the company retains the option to extend again until August 1.

Petford has won acceptances from only a further 0.5 per cent of the shares since its last announcement. Through its existing holdings and purchases in the market it owns just over 11 per cent of Henshall.

This is sufficient to maintain the company's public listing, which is Petford's present intention. However, it has warned shareholders that with Bovbourne holding just over 50 per cent of Henshall its own offer is unlikely to go unconditional.

HOWDEN REVISES OFFER TERMS

Howden Group of the UK, which is attempting to take over the outside shareholders of its local subsidiary, Howden Group South Africa, has proposed modified terms, which raise the price from the rejected 95 cents offer to 112.5 cents. This amount may be taken either as a cash sum or divided between 102.5 cents cash and 10 cents dividend.

Howden UK holds 74 per cent of the local subsidiary and attempted to acquire the 26 per cent balance via a scheme of arrangement last month. The 95 cents offer was rejected by the holders of 225,000 shares, with 490,000 in favour, so that the requisite three-to-one majority was not secured.

Hill Samuel South Africa has indicated that holders of 135,000 of the shares voted against the 95 cents offer have said they will accept the revised terms. Thus the scheme appears likely to succeed at a cost to Howden UK of R1.3m.

NO PROBE

The acquisition by General Oriental of Hong Kong of Argyle Securities (Holdings), whose wholly-owned subsidiary is Argyle Securities Limited, is not to be referred to the Monopolies and Mergers Commission under the Fair Trading Act 1973.

Chaddesley-Greycoat merger details

BY JOHN BRENNAN, PROPERTY CORRESPONDENT

FORMAL DOCUMENTS detailing the terms of the proposed merger of Chaddesley Investments and Mr. Stuart Lipton and Mr. Geoffrey Wilson's private Greycoat Estates have now been posted to Chaddesley's 560 shareholders.

Chaddesley's board, advised by stockbrokers Joseph Sebag, unanimously recommend acceptance of the merger proposals, which involve the issue of 3.4m new 10p Chaddesley shares, worth £513,000, for Greycoat. Chaddesley also proposes to reduce the par value of the existing 25p stock to bring it into line with the new 10p shares. But it points out that this change would make no difference to net assets, voting or dividend rights.

Greycoat recently acquired the Swiss group Compagnie Auxiliare pour l'Industrie's 38 per cent shareholding in Chaddesley, and this holding, along with the new shares issued to acquire Greycoat, would take Mr. Wilson and Mr. Lipton and their associates' stake in the combined group to 69.1 per cent. In that event, the Greycoat directors would place a proportion of their shares in the market to avoid "close" company status for the combined group.

In line with Stock Exchange and Takeover Panel requirements, Greycoat is making a simultaneous cash offer of 16½p cash for each Chaddesley share. But the cash offer stands 1½p below Chaddesley's currently suspended share price. And Greycoat and its advisers, N. M. Rothschild and Sons, as well as the Chaddesley board, make it clear that the merger proposals, bringing the two former Sterling Land directors back to the stock market, is a more attractive alternative.

Shareholders are given an outline of Greycoat's current operation, which has a current net worth of £300,000 but which is also involved in a number of major Central London property developments, including the giant 790,000 sq. ft Cutler Street warehouse development in conjunction with Standard Life. Greycoat has yet to finalise details of its participation in the Cutler Street scheme and in other developments now in the pipeline, leaving Chaddesley shareholders without an exact picture of Greycoat's development equity.

But the Chaddesley board believes that "the activities of Greycoat and the expertise of its management will complement those of Chaddesley and will enable Chaddesley to develop its existing property investment activities and enable it to take advantage of new opportunities in the property development field."

Chaddesley, which yesterday reported a pre-tax surplus of £20,274 for 1977-78, has arranged the extarordinary general meeting to discuss the merger for 11.10 am on August 7 at 4, Chester Gate, N.W.1.

BARCLAYS—ITC

Barclays Merchant Bank announces that at the meeting of the holders of the 5 per cent convertible unsecured loan stock, 2000-05, the proposals set out in extraordinary resolutions dated June 20 and concerning the offer made by Barclays Merchant Bank on behalf of Barclays Bank for Investment Trust Corporation were passed.

Total valid acceptances had been received in respect of 1,256,669 stock units of which 129,189 were valid cash acceptances.

CORNERCROFT

Armstrong Equipment's offer for the preference shares in Cornercroft has been accepted in respect of 144,321 shares (72.16 per cent), and is now unconditional. The offer for the ordinary shares (of which Armstrong now holds 64.5 per cent) is already unconditional.

SHARE STAKES

J. Sainsbury: Directors and families have sold shares as follows. Mr. S. D. Sainsbury 200,000; Mr. T. A. D. Sainsbury 125,000; and Mr. D. J. Sainsbury 250,000. These disposals are worth over £1m. at the current market price.

The holding of Hon and V Trustee has altered and is now 11,228,230 shares (13 per cent) non beneficial as trustee.

CRYSTALATE BUYS OSBORNE ELECTRONICS

Crystalate (Holdings) has agreed to acquire the shares of Osborne Electronics (IW) a private company based on the Isle of Wight, for 2,009,000 Crystalate ordinary shares worth £562,520 at yesterday's closing market price of 28p, plus £173,200 cash.

Osborne's accounts at September 30, 1977 show net assets of £466,000 and pre-tax profits of £279,000. For the two years to September 30, 1979 Mr. J. C. South, chief executive and principal Osborne shareholder, warrants average annual pre-tax profits of not less than £240,000. Mr. South will join the Crystalate board.

Osborne manufactures components for the telecommunications, radio and electrical industries and will increase Crystalate's involvement in component manufacturing.

BANK DEAL SIGNED

An agreement for the acquisition by Standard Chartered Bank of Union Bancorp, Incorporated, on the terms announced on June 9, was signed yesterday.

It is subject to the approval of a majority of the shareholders of Union Bancorp, and to all necessary consents from the relevant authorities in the UK and the U.S.

ASSOCIATES DEALS

Rowe and Pitman Hurst-Brown sold for a discretionary investment client 3,402 Thomas Tilling at 120p.

Hedderwick Stirling Grumbar and Co., brokers to Newman Industries, bought 17,500 Wood and Sons (Holdings) at 55p now assented for cash on behalf of Newman.

Hoare Govett bought 150,000 Crossley Buildings at 103½p on behalf of Bowater.

LWT-HUTCHINSON UNCONDITIONAL

The offer by LWT (Holdings) for the preference shares of Hutchinson has been declared wholly unconditional. Acceptances have been received in respect of 432,512 Hutchinson preference shares (90.11 per cent).

In due course LWT intends to acquire compulsorily any outstanding Hutchinson preference shares. The preference offer remains open until further notice.

FFI—HAMILTON LEASING

Hamilton Leasing, specialist in leasing office equipment, has now become a wholly-owned subsidiary of Finance for Industry.

FFI has purchased the outstanding minority interests from Hamilton Group of Canada (13 per cent) and Arbuthnot Latham and Co. (10 per cent). Both of these companies were among the original promoters of Hamilton Leasing.

Hamilton's rental business, has been sold to the UK subsidiary of the Hamilton Group of Canada.

NEWMAN INDS.

Newman Industries is to provide a £150,000 medium term loan facility to the Royal China Clay manufacturing business it sold to Maddox earlier this year.

As a result of this move Maddox, which in the half year to December 31, 1977 made pre-tax profits of £201,035, is seeking shareholders' permission for a temporary increase in its borrowing limits—from £500,000 to £650,000.

Debenture Corp. ahead

PRE-TAX revenue of Debenture Corporation rose by £32,508 to £906,909 for the six months to June 30, 1978. For the full 1977 year pre-tax revenue amounted to £1.77m.

Income from investments for the half-year totalled £1.02m against £0.97m, and management feels, trusteeship fees and underwriting commissions added £24,129 (£30,752). Pre-tax revenue was struck after expenses £70,591 (£62,891) and debenture stock and short term loan interest of £67,755 (£58,777).

The interim dividend is effectively raised from 0.75p to 0.8p net per 25p share—last year's final was an adjusted 1.65p.

Tax took £359,784 (£355,485) and after preference dividends £1,543 (same), the amount available came out at £545,582 (£517,373).

Net asset value per share is shown as 87.3p (78.1p).

Judge rules against solicitors

AN £80,000 lawsuit against the National Westminster Bank and the National Provincial Bank, which later amalgamated into the NatWest, was struck out without a hearing in 1975 because of "inexcusable and inordinate delay" by the plaintiff's solicitors, a High Court judge ruled yesterday.

Mr. Justice Watkins held that breach of duty by the solicitors, James and Charles Dodd, of Blackheath, London, had prevented Mr. George Mainz pursuing his case.

Mr. Mainz alleges that actions by various branch managers cost him the chance of breaking into the British catering market with a new process, can now go ahead with a claim against the solicitors for £80,000.

the coal fire with a modern, no-

WORLD STOCK MARKETS

Index jumps 15 on Wall St.

INVESTMENT DOLLAR PREMIUM

$2.60 to £1—104% (103¼%)

Effective $1.8825—47¼% (47¼%)

SHARP ADVANCES were recorded on Wall Street yesterday, when the Stock Market was helped by bright second quarter earnings and more hope for a Capital Gains Tax cut.

The Dow Jones Industrial Average moved up 15.07 to 839.83, making a rise of 27.42 on the week. The NYSE All Common Index, at $54.82, rose 70 cents on the day and $1.48 on the week, while gains led losses by more than a two-to-one majority. Trading volume expanded 4.76m shares to 28.37m.

Analysts said the gain was particularly encouraging in view of the $4.9bn rise in the Basic Money supply reported yesterday.

Hope for a Capital Gains Tax cut improved when House Speaker O'Neill said, Mr. Blumenthal, Treasury Secretary, plans to discuss with President Carter, a compromise to get tax cut legislation moving in Congress.

The Stock Market also benefitted from an announcement by UAL Inc's United Airlines that it plans to buy 30 wide bodied 767 jet aircraft from Boeing.

UAL picked up $¾ to $31⅞—its United Airlines awarded Boeing, up $2¾ at $59¼, a $1.2bn contract. Volume leader United Technologies rose $2⅞ to $46—its Pratt and Whitney unit won a $200m order for the 767 engines.

IBM climbed $8¼ to $267¾ after it reported second quarter earnings advanced to $4.73 ($4.44) a share and said continuing strong demand for its products "reinforces our confidence in the future growth of the company."

Studebaker-Worthington gained $2¼ to $63¼—it forecast higher second quarter earnings.

THE AMERICAN SE Market Value Index gained 1.30 to 149.92, making a rise of 3.62 on the week.

Total Petroleum North America were active and up $1¼ to $11⅞. Chieftain Development gained $1¼ to $23¾ on its natural gas find in Canada.

CANADA—Further gains were scored in active trading yesterday, when the Toronto Composite Index advanced 10.0 to 1,158.1.

The Oil and Gas Index strengthened 24.7 to 1,521.6. Metals and Minerals 15.0 to 948.4, Banks 3.03 to 278.98, Papers 1.32 to 118.64 and Utilities 0.84 to 175.29. Only Golds, off 5.4 at 1,446.5, moved against the general trend.

Texaco Canada rose $2 to $45½ and Chieftain Development $1½ to $26½ on news of their joint Alberta gas discovery.

BRUSSELS—Mixed in quiet trading.

UK and Dutch stocks little changed, U.S. and Germans higher. French steady to firm.

AMSTERDAM—Quietly mixed, with Dutch Internationals mostly higher.

GERMANY—Firmer in lively trading, despite uncertainty over results of imminent Bonn Summit and further weakness in Domestic Bond Market.

Leading Banks and Chemicals registered small gains.

Public Authority Bonds showed losses of up to 40 pfennigs. Regulating Authorities bought a nominal DM 230m worth of stock. Mark Foreign Loans also weak.

SWITZERLAND — Mixed in quiet trading.

In Industrials, Saurer met some speculative demand.

Domestic and Foreign Bonds firmed, but trading calm due to a scarcity of offerings.

Dollar stocks slightly easier, Dutch issues little changed, Germans steady.

COPENHAGEN—Shippings and Insurances firmed slightly, Commodities generally higher. Industrials slightly lower. Bonds quiet.

OSLO—Bankings barely steady, Shippings, Industrials and Insurances quiet.

MILAN—Lower in slack end-of-account trading.

Bonds moved within narrow limits in very quiet trading.

VIENNA — Recent improved undertone maintained.

HONG KONG—Market rose slightly in active trading, with profit-taking mainly from local interests trimming strong gains.

TOKYO—Slightly higher in moderate trading. Volume 330m (290m) shares.

Export-orientated issues and "Populars," however, were lower with investors reserved ahead of Bonn Summit.

JOHANNESBURG—Gold shares mixed in moderate trading. Mining Financials followed Producers.

Anamint rose R2.50 to 76.00.

AUSTRALIA—Firm, led by selected Mines.

Coal and Allied gained 20 cents to $A4.50 on reports financing is almost complete for its Warkworth development. Oakbridge gained 5 cents to 1.85 on its new coal sales to Japan. Thiess rose 5 cents to 2.80 and White Industries 8 cents to 2.10.

Uraniums were quiet, with Pancontinental down 60 cents to 14.90 and Queensland Mines 10 cents to 2.55.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Texaco	414,500	26⅛	+¼
Boeing	396,900	59⅞	+2¾
Utd. Technologies	457,300	46	+2⅞
Pan Am Air	326,400	7⅛	+⅛
General Electric	320,200	54⅞	+1⅛
Searle G. D.	259,700	16⅞	+1⅛
Vinkraft	248,600	41⅞	+⅜
Xerox	236,500	55⅞	+2⅞
Sterling Drug	234,000	17⅛	+¼
Eastman Kodak	222,900	58⅛	+2½

Indices

NEW YORK—DOW JONES

	July 14	July 13	July 12	July 11	July 10	July 7	1978 High	1978 Low	Since compilat'n High	Since compilat'n Low
Industrial	839.83	824.76	824.25	821.29	816.79	812.46	866.61 (6/6)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
Home Bonds*	86.94	86.95	87.05	86.75	86.81	87.15	90.86 (4/1)	86.75 (11/7)	—	—
Transport	225.56	225.07	223.56	222.94	220.50	218.25	251.55 (6/6)	199.31 (9/1)	279.88 (7/2/69)	16.23 (8/7/32)
Utilities	105.55	105.45	105.75	105.24	106.01	105.56	110.98 (5/1)	102.84 (22/2)	165.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	28,370	23,610	26,640	27,480	29,470	25,480	—	—	—	—

* Basis of Index changed from August 24.

	July 7	June 30	June 23	(Year ago approx.)
Ind. div. yield %	5.75	5.71	5.68	4.85

STANDARD AND POORS

	July 14	July 13	July 12	July 11	July 10	July 7	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
‡ Industrials	107.90	106.54	106.60	105.86	106.12	104.79	110.95 (6/6)	95.52 (6/3)	134.64 (11/1/73)	3.52 (30/6/32)
‡ Composite	97.58	96.25	96.24	95.93	95.27	94.89	100.32 (6/6)	86.90 (6/3)	125.85 (11/1/73)	4.40 (1/6/32)

	June 12	July 5	June 27	Year ago (approx.)
Ind. div. yield %	5.07	5.16	5.11	4.45
Ind. P/E Ratio	9.12	8.95	9.04	10.12
Long Gov. Bond yield	8.69	8.62	8.57	7.59

N.Y.S.E. ALL COMMON

July 14	July 13	July 12	July 11	1978 High	1978 Low
54.82	54.12	54.08	53.90	56.20 (8/6)	48.37 (6/3)

Rises and Falls

	July 14	July 13	July 12
Issues traded	1,879	1,872	1,873
Rises	1,067	690	883
Falls	427	714	525
Unchanged	385	468	465
New Highs	—	56	39
New Lows	—	14	10

		July 14	July 13	July 12	July 11	1978 High	1978 Low
MONTREAL	Industrial	185.86	184.12	183.12	182.00	185.86 (14/7)	162.20 (10/2)
	Combined	194.68	193.00	192.10	191.08	194.68 (14/7)	170.82 (20/1)
TORONTO	Composite	1158.1	1148.1	1141.6	1135.9	1158.1 (14/7)	998.2 (20/1)
JOHANNESBURG	Gold	237.1	236.6	228.7	227.8	237.1 (14/7)	165.0 (20/4)
	Industrial	251.2	250.0	246.5	245.8	251.2 (14/7)	194.9 (13/3)

	July 14	Previous	1978 High	1978 Low
Australia(¶)	504.07	501.97	504.07 (14/7)	441.19 (1/3)
Belgium (‖)	96.54	96.22	101.16 (8/5)	90.43 (25/5)
Denmark(**)	95.64	95.56	98.15 (9/1)	94.00 (6/2)
France (††)	(c)	70.5	71.2 (30/6)	47.6 (6/2)
Germany(‡‡)	795.8	790.7	812.7 (10/3)	769.4 (17/6)
Holland (§§)	83.8	83.0	87.0 (9/6)	76.0 (4/4)
Hong Kong (¶¶)	667.38	665.69	582.67 (6/7)	383.44 (13/1)
Italy (‖‖)	61.69	61.81	64.24 (7/7)	55.45 (10/1)
Japan (a)	424.86	428.41	424.86 (14/7)	364.04 (4/10)
Singapore (b)	344.67	348.69	365.51 (10/7)	282.0 (1/6)
Spain (d)	102.18	102.42	110.18 (5/6)	91.60 (11/3)
Sweden (e)	390.61	385.75	391.36 (5/6)	325.74 (3/1)
Switzerl'd (f)	291.8	291.6	336.99 (26/6)	279.0 (25/4)

(‖) Belgian SE 31/12/63. (**) Copenhagen SE 1/1/73. (††) Paris Bourse 1961. (‡‡) Commerzbank Dec., 1953. (§§) Amsterdam Industrial 1970. (¶¶) Hang Seng Bank 31/7/64. (‖‖) Milan 2/1/73. (a) Tokyo New SE 4/1/68. (b) Straits Times 1966. (c) Closed. (d) Madrid SE 30/12/77. (e) Stockholm Industrial 1/1/58. (f) Swiss Bank Corp. (u) Unavailable.

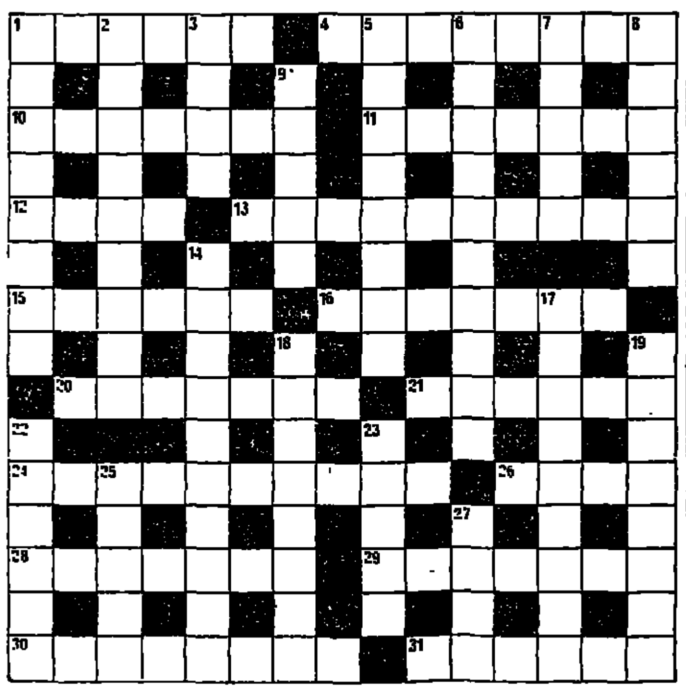
Indices and base dates (all base values 100 except NYSE All Common — 50 Standards and Poors — 10 and Toronto 300-1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (¶) Sydney All Ord.

F.T. CROSSWORD PUZZLE No. 3,719

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



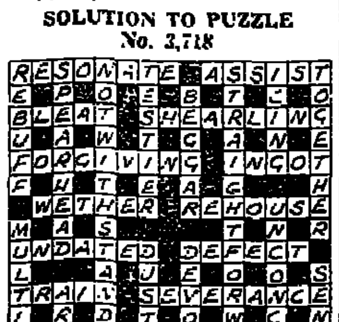
ACROSS

1 Free to move crowd to another lie (6)
4 Case of the non-striking poet (8)
10 Leave socially acceptable whip in a stew (7)
11 Prison is German for the musician (7)
12 Stare at key copy (4)
13 Chance soldiers have to become disorderly (5, 5)
15 Service mother preserves (6)
16 Mean to study message (7)
20 Turning up a right competitor (7)
21 Reading at 15 with fewer engagements (6)
24 Goat with only a lake (10)
26 Split up a bit (4)
28 Equal takes care of Frenchman and nobleman (7)
29 Sweet quiet artist has a row ... (7)
30 ...as Ted maybe goes to cathedral with composure (8)
31 Equipment for those wanting to snap out of it (6)

DOWN

1 Assaults on hunted animals are not worth it (4, 4)
2 Ship's starting signal depressed disciple (4, 5)
3 Earth to behold before morning (4)
5 One bird gives another article as well (8)
6 Pusher at door helps to make a change (4-6)
7 Strange how a story gets new beginning (5)
8 Hate some French trial (6)
9 Spell as a church member (5)
14 Footballer in prison abandoned (6, 4)
17 Sporting spin a team may discard (4, 5)
18 Consolation not written in Regal House (8)
19 Detested person writing three articles to parent (8)
22 Beads framed by children's counter (6)
23 Rubbish a beast has to stomach (5)
25 Dim it down? On the contrary, I'm shy (5)
27 Subside over a family history (4)

SOLUTION TO PUZZLE No. 3,718



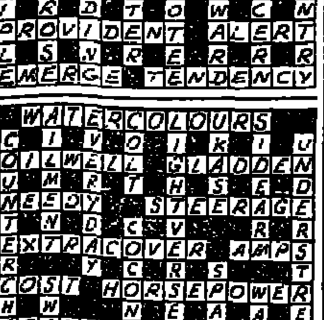
SOLUTION AND WINNERS OF PUZZLE No. 3,713

Following are the winners of last Saturday's prize puzzle:

Miss S. J. Alderson, 146 Hurcott Road, Kidderminster DY10 2RL.

Mr. F. Davidson, Courtyard House, Harringworth, Corby, Northants.

Miss J. E. Higham, 11 Broad Lane, Grappenhall, Warrington, Cheshire WA4 3ER.



RACING BY DOMINIC WIGAN

Abercata may repeat victory at Ayr

JAMES BETHELL, who is having his best season yet in terms of prize money, has a bright chance of landing this afternoon's Joe Coral Handicap at Ayr for a second successive season with Abercata.

Abercata, carrying 9st 7lb in the Joe Coral Handicap—25 lbs more than when he won 12 months ago—has made three appearances this season, with impressive winning efforts coming on either side of a listless run at Epsom.

His most recent performance in beating Steel City a shade cleverly by three-quarters of a length in the Bain Dawes Scottish Handicap at Ayr suggests that he may well again be able to cope with Camacho's hitherto luckless runner-up.

Another trainer enjoying a good season, though admittedly not one of his best, is Bill Elsey, whose Yellow God colt, Don, was the chief benefactor of Jellaby's mishap in the Lockinge at Newbury.

Elsey saddles Trapalanda, a tentative choice for York's Fountains Maiden Stakes, in which Calf of Man will clearly take all the beating, and Snow Chief, who is recommended with more confidence for the Scottish course's Kyles of Bute Stakes.

Although Elsey's Fair Top could well go close in the afternoon's most valuable event in this country, the John Smith's Magnet Cup, the bottom weight, Il Padrone—a five-year-old returning to form—could represent better value.

In Ireland, by far the most important event of the day is another running of the Group One Irish Guinness Oaks at The Curragh. Here the home team may again come off second best following Shirley Height's success, for although Cherry Hinton is a surprising absentee, Fair Salinia and Suni will be representing English stables.

I thought that Suni might well have made her presence felt in the Oaks at Epsom had more use been made of her and she is suggested with confidence for win and place backers.

YORK

1.45—Head Huntress
2.15—Homing
2.45—Il Padrone
3.15—The Captainstan
3.45—Miss Zadig
4.15—Trapalanda
4.45—Maggydamus

AYR

2.00—Wickwell
2.30—Abercata*
3.30—Timonel
4.00—Elegante
4.30—Snow Chief***

THE CURRAGH

*Suni***

SINGAPORE

July 14	$	July 14	$
Industrials		Straits Trad'g	5.60xd
Boust..	0.66	Times Pub. Berhad	3.16
Boustead Co.	†1.92	U. Engineers	1.56
Boustead Bhd	—	U. Ov's Bk.	3.14
Dunlop	4.28	Wearne	3.42
Esso	3.50	Tractor	4.64xd
Fraser Neave	6.20	Chemical	‡4.68
Haw Par	1.35	Willm Jacks.	1.6
Hume Ind.	1.80	Rubbers	
Inchcape	2.04	Batu Lintang	1.30
Malay Brew.	‡6.85	Dunlp Estate	4.16
Malay Cemt.	2.94		
Met. Bx Sing	2.85	Kempas	†4.0xd
Ov'sChin.Bk	6.65		
Pan Electric	2.01		
Robinson Co.	2.62	Tins	
Rothman	4.22	Austral. Am.	‡5.50
Shell	2.74	Berjuntai	8.80
Sime Darby	3.04	Kampar	†5.32xd

SPAIN ♥

July 14	Per cent	
Banco Bilbao	297	—
Asland	119	—
Banco Bilbao	297	—
Banco Atlantico (1,000)	244	—
Banco Central	308	—
Banco Exterior	263	—
Banco General	280	—
Banco Granada (1,000)	151	−1
Banco Hispano	228	—
Banco Ind. Cat. (1,000)	167	−1
B. Ind. Mediterraneo	208	—

NEW YORK

CANADA

GERMANY ♦

PARIS

AUSTRALIA

TOKYO ¶

BRUSSELS/LUXEMBOURG

STOCKHOLM

AMSTERDAM

COPENHAGEN ♣

SWITZERLAND ●

MILAN

OSLO

VIENNA

JOHANNESBURG

BRAZIL

Securities Rand U.S.$0.69½ (Discount of 39.78%)

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Court moves to save Boussac empire

BY DAVID WHITE

PARIS, July 14.

PERSONAL holdings of Marcel Boussac went into the pot as the Paris Commercial Court decided to take them under its direct control in its attempt to sort out the financially stricken Boussac textile empire.

Twenty-one companies within the group were made subject to judicial settlement by the court on May 31. This decision has been extended to include M. Boussac's shareholdings and property outside the group.

The most important of these is the Christian Dior fashion business, which according to some estimates is worth FFr 500m ($113m).

A week ago, M. Boussac sold his newspaper interests, the right-wing daily L'Aurore and the sporting weekly Paris-Turf, to a group of industrial and financial interests for FFr 80m. It has been estimated that the Boussac group needs to find FFr 800m ($180m) to stave off bankruptcy.

The Commercial Court said in its ruling that taking control of M. Boussac's personal holdings would help it to assure the continued operation of the group under a restructuring plan if necessary with government backing.

Despite the Government's new policy of not supporting "lame duck" industries it would be difficult to ignore the unemployment threat posed by the Boussac group's troubles and its implications for the social climate generally. About 11,500 are employed in the group, over a third of them in the Vosges region where they would be badly placed to find other jobs.

The 89-year-old founder of the textile group tried last month to use his personal assets as a means of saving the company when he offered to sell a considerable part of them and plough the proceeds into the group.

But the group's creditor banks blocked the move which would have meant releasing their claims on assets which had already been put up as collateral against loans to tide the group over its most immediate payments problems.

The banks' attitude provoked violent protests by groups of Boussac workers, giving rise to a strange alliance between M. Boussac, the archetypal paternalistic boss, and the communist-led CGT union.

A lawyer for M. Boussac was quoted as saying that M. Boussac had now given up his claim to everything "down to his last shirt."

Apart from Dior, M. Boussac owns two stud-farms, about 20 racehorses and a chateau with about 7,000 hectares of land, as well as portfolio assets.

The more valuable of his stud-farms and his best racehorse are worth Fr 100m combined. Under his previous offer, M. Boussac would have kept house and land and all but one of his horses.

SAS buys Malmros forwarding agency

By William Dullforce

STOCKHOLM, July 14.

THE CRISIS-RIDDEN Malmros shipping company has sold its transport and forwarding agency, Olson and Wright, to Scandinavian Airlines System (SAS) for an undisclosed sum. Swedish newspapers, however, put the price at just over SKr 30m ($6.5m).

The purchase is to be made formally by the Incentive investment company, because under IATA rules SAS is not allowed to operate a forwarding agency. However, IATA is expected to drop this restriction next year, when SAS will assume ownership in its own name.

Olson and Wright made a pre-tax profit of around SKr 5m on a SKr 460m turnover last year. It covers land, sea and air transport, being the biggest air freight forwarding agency in the Nordic countries.

Mr. Knut Hagrup, SAS's managing director, said the airline had no intention of monopolising the Scandinavian air freight business. But seven companies, including three or four foreign concerns, had shown interest in buying Olson and Wright and "we did not want to let in a foreign buyer."

SAS's freight business has been growing faster than its passenger services and now accounts for about SKr 650m of its SKr 5bn turnover. The purchase of Olson and Wright extends the diversification which the airline started a few years ago through the takeover of the Scanair charter company and the Nyman and Schultz travel bureau group. Together with the expanded catering and hotel business, these subsidiaries now provide some 20 per cent of SAS's turnover.

Last year, Malmros reported pre-tax losses of SKr 112m for the group and SKr 157m for the parent company.

Further increase in sales and earnings at IBM

BY OUR FINANCIAL STAFF

THE SECOND quarter of the year at International Business Machines has brought a further increase in net earnings. At the per-share level, earnings have been raised from $4.44 to $4.73. Total net earnings for the quarter have risen by 5 per cent to $691.2m. Sales increased from $4.4bn to $4.9bn.

Once again, share earnings in the second quarter benefited from the company's purchase of its own stock, which have reduced the number of shares outstanding to 145.9m from 148.1m.

In the first six months, the computer monarch has earned a net $1.3bn, or $8.74 a share, compared with $1.2bn, or $8.26 a share, in the previous first half.

Average shares outstanding at the end of the first half were 146.4m against 149.2m last time.

Mr. Frank T. Cary, the chairman of IBM, said: "Purchases of data processing equipment were somewhat higher in the quarter and for the six months than in the comparable periods of 1977. This reflects the tapering off of purchases of System-370 models 158 and 168 and increasing shipments and purchases of newer products.

He added, "incoming orders for data processing equipment for the first two quarters of this year were substantially higher than the strong volumes experienced in the comparable 1977 period.

"For the six months ended June 30, 1978, fluctuations in the value of the U.S. dollar in relation to other major currencies resulted in an exchange gain of $22m, which consisted principally of unrealised gains from the translation of foreign currency assets and liabilities.

Some observers in the computer industry have suggested that 1978 may be a year of transition for IBM, although last year's total share earnings of $18.30 are likely to be exceeded this time.

The introduction of a new range of machines, referred to by Mr. Cary in his speech, means that the company is at the beginning of a new earnings cycle.

In the past, profit margins have declined at this stage of the cycle.

Net income at Kubota falls by 9%

TOKYO, July 14.

KUBOTA, Japan's leading manufacturer of agricultural equipment and industrial pipe and machinery, reports a fall of 9 per cent in consolidated net profits to Y19.67bn ($97m) in the year ended April 15 from ...bn.

Consolidated based sales, however, rose slightly, by 1.0 per cent to Y499.1bn ($2.5bn).

Although sales of industrial machinery related to public works projects, environmental control facilities and pipes increased," said the company, agricultural sales declined. Sales of agricultural machinery fell, it said, as a result of the increasing reluctance of farmers to purchase new machinery, with slower growth in farm household income, and with the current Government policy of reducing the area under cultivation for rice in Japan and encouraging conversion to other ...

Sime plans property expansion

BY JAMES BARTHOLOMEW AND WONG SULONG

THE FULL purpose of the 475m ringgit loan which Sime Darby is raising in Malaysia and Singapore is still not clear despite a company statement yesterday.

Speculation that the loan might be the prelude to a major bid has been answered only by the assertion that "there is no announcement of importance pending."

Two specific areas of expenditure are indicated. Some 75m ringgit will be used to repay the 10 per cent unsecured loan stock which matures on December 31, 1978 and the group says that it has plans for "substantial property developments in both Malaysia and Singapore." But as for the rest, the group says, "as might be expected, the company is continually examining a large number of investment opportunities both within and outside the plantation industry."

Sime refers to recent investments in engineering, rubber broking, heavy equipment and plantations and says it has a continuing interest in transferable technology and downstream development from its plantation base. This diverse list of expansion areas suggests that speculation about a bid for a major plantation company has been misplaced; but the Board declines to make specific denial on this point.

The speculation was fuelled two weeks ago by the announcement of Sime's purchase of a 4.8 per cent stake in Guthrie Corporation but Mr. James Scott, the chief executive at Sime, said soon after that Sime had no present intention of bidding for Guthrie. Bid speculation has also been focused on Harrisons and Crosfield, Dunlop Holdings and the minorities of Consolidated Plantations and Tractors Malaysia not already owned by Sime.

The loan will be raised through a subsidiary, Malaysian Oriental Holdings Bhd, which has been dormant for some years. As reported yesterday, the loan will be in four portions—fixed and floating rate loans in Malaysian ringgits and Singapore dollars. Precise details of the terms have not yet been finalised, because of "the size and complexity of the funding," according to the group.

The Malaysian Government is a significant shareholder in Sime. The group states that "the raising of a loan this size will be a demonstration of the strength and capability of the capital markets of Malaysia and Singapore."

Profits rise at Transamerica

SAN FRANCISCO, July 14.

TRANSAMERICA Corporation earnings for the second quarter rose by about 25 per cent over the $44m, or 66 cents a share, in the year-ago, second-quarter, Mr. John Beckett, the chairman and chief executive officer, said here.

Six months' profits rose to slightly over $100m—about a 30 per cent increase over the $78.4m, or $1.17 a share, reported in the 1977 first half.

Second-half earnings should be at least as good as those for the first, which would give the diversified financial services, entertainment, manufacturing and travel services company full-year profit of more than $200m. For all 1977 Transamerica earned $169.1m.

Life insurance and property-casualty operations, which together contribute more than 50 per cent of Transamerica's profits, are reported to be enjoying record business for both the second quarter and six months, in line with all of the company's major activities. Transamerica's total insurance profits were down in the first quarter but it had its best June ever and will be up in the six months, said the chairman.

Mr. Beckett said that the sale earlier this year of United Artists Records—a part of the United Artists Corporation subsidiary—and the ownership interest in Cie Europeene de Banque, a Paris-based bank specialising in commercial lending, completes Transamerica's disposition of assets. "There are no other businesses we have any interest in selling," said Mr. Beckett.

AP-DJ

Toyota lifts sales targets

TOKYO, July 14.

TOYOTA MOTOR COMPANY has revised upwards its production and sales target this year, to 2.91m from the original 2.86m, as a result of an improvement in domestic sales.

The adjusted target reflects an expected increase in domestic sales to 1.48m from the 1.43m earlier looked for. The target of 1.43m is unchanged.

Reuter

Dutch publisher in UK

BY CHARLES BATCHELOR

AMSTERDAM, July 14.

KLUWER, the Dutch publishing group, has agreed to acquire the capital of Hulton Educational Publications of Amersham in the UK for cash. Hulton has a staff of about 35 and publishes 400 educational titles for the primary and secondary school age groups.

Hulton's activities closely complement those of another Kluwer company in the UK, Stanley Thornes/Stam Press of Cheltenham. Kluwer declined to give further details of the transaction. Kluwer made net profits of Fl 16.7m ($7.5m) on sales of Fl 519m ($235m) in 1977. It publishes 10,700 titles including 3,200 educational books.

● Buehrmann-Tetterode (BT), the board and paper manufacturer, has taken a 34 per cent stake in the waste paper dealer Lignac en Van der Meer, of Breda. Lignac handles about 100,000 tonnes of waste paper a year or about 10 per cent of the Dutch market.

The aim is to increase BT's access to raw materials for its board making activities. It has had this holding for "some time" but the withdrawal of two shareholders means BT will play a larger role in the management of Lignac. This is the company's reason for disclosing the shareholding.

BT is a diversified company with interests in manufacturing and wholesaling office equipment, stationery and toys. It reported net profits of Fl 38.9m in 1977 on sales of Fl 1.56bn ($706m).

Bundesbank still buying

THE WEAKNESS of the West German bond market continued yesterday with the Bundesbank forced to continue its massive support operation, writes our financial staff.

The Central Bank was "in the market" for DM360m of domestic paper taking its purchases this week to over DM1.2bn. This amounts to one of the most active periods of intervention ever undertaken by the Bundesbank.

Advance of 25% at Mercantile Bancorp

ST. LOUIS, July 14.

Mercantile Bancorporation's second-quarter income before securities transactions should be up a "little in excess of 25 per cent" over the year-earlier $4.9m, or 84 cents a share, Mr. Donald E. Lasater, the company's chairman and chief executive said.

First-half income before securities transactions was expected to be little better than 15 per cent up on the year earlier $10.7m, or $1.81 a share.

Securities transactions were not significant for either year, according to Mr. Lasater.

He expected full-year earnings to be a record, barring unforeseen circumstances in the economy. The bank holding company's best year was 1975, when income before securities transactions was $23.1m. Last year, Mercantile had income before securities transactions of $22.9m.

Mr. Lasater said that he expects directors to give favourable consideration to an increase in the 55 cents quarterly dividend at their August 10 meeting. At the annual meeting last April, the executive said that shareholders could expect an increase in the dividend this year, if earnings continued to improve, and he said that he has seen "nothing negative" to change that observation.

In the second quarter, the net interest margin was in the range of 15 per cent up from a year ago. Mr. Lasater pointed out that the second quarter was being compared with a "rather poor quarter" last year which followed a "reasonably strong first quarter."

Mr. Lasater said that all the company's 28 banks, except one small band in outstate Missouri, showed improved earnings as well as higher loan demand and increased assets for the first half. In addition, percentage increases for the 27 affiliated banks were "at least twice as much" as the increases at the lead bank, Mercantile Trust Company.

AP-DJ

COMMODITIES/Review of the week

Tin pact price rise disappoints

BY OUR COMMODITIES STAFF

THERE WAS a disappointed reaction on the London Metal Exchange yesterday to news that the International Tin Council had agreed to raise the "floor" and "ceiling" price ranges of the International Tin Agreement.

Standard grade cash tin lost ... to £6,615 a tonne—£70 higher than a week ago—despite a sharp rise in the Penang market overnight.

London traders were more concerned with forecasts of a rise in warehouse stocks, since the market had already discounted the rise in the Tin Agreement ranges.

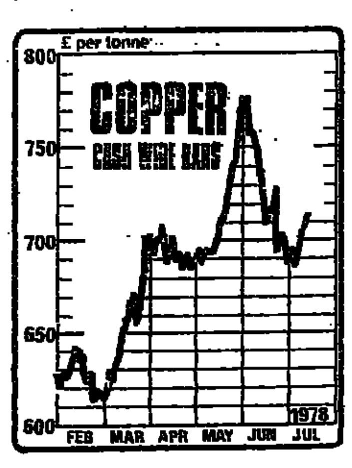
As expected, the rise in the Agreement's price ranges was a compromise between the demands of producing countries and the views by leading consumers, notably the U.S., that an increase was not justified.

It was agreed to raise the "floor" price by M$ 150 to M$ 1,350 a picul and the "ceiling" by M$ 200 to M$ 1,700.

Producing countries, who had sought a rise in the range to M$ 1,500 to M$ 1,900, described the compromise as disappointing.

Copper prices advanced strongly this week. Cash wirebars closed last night £24.75 up at £714.75 a tonne. The market was boosted by another substantial fall in warehouse stocks, bringing total holdings to below ...,000 tonnes for the first time since the end of 1975.

Further encouragement was provided by Asarco, which announced an increase in its U.S. domestic from 63 to 64 cents. This was quickly followed by other producers.



The rise in copper set the trend for higher prices in the lead and zinc markets too. Cash lead, aided by a technical supply squeeze, gained £13.25 to £316 a tonne, while cash zinc was £5.75 up on the week at £314.5 a tonne.

The world sugar market was once again hit by selling pressure, which cut the London daily price for raws by £6 to £85 a tonne—equalling the three-year low levels plumbed last November.

Early in the week the price was helped downwards by reports of "beautiful" beet crops growing in the European Community. The French growers' federation claimed that the crop had now made up the ground it lost during the cold spring.

Later, independent market analyst F. O. Licht cut its estimate of year-end world stocks and the EEC Commission's sugar management committee forecast an exportable sugar surplus for the Community this year of only 2.9m tonnes, compared with the 3.5m tonnes disposed of in the campaign just ending.

These faintly optimistic reports were not enough though to lift the market—still depressed by the huge surplus of supplies available.

Cocoa dealings during the week were influenced mainly by fresh reports on the expected surplus for the 1977-78 season. The International Cocoa Organisation raised its estimate of the surplus 29,000 tonnes, claiming that output would exceed world consumption by 49,000 tonnes. The deficit last year was 80,000 tonnes.

Later in the week, Gill and Duffus raised its estimate of the surplus from 99,000 to 116,000 tonnes. The rise was attributed to a better-than-expected crop in Brazil.

U.S. cocoa bean grindings fell 18.2 per cent during the second quarter of the year to 42,327 short tons. UK grindings, reported yesterday, were down 7.3 per cent at 19,000 tonnes for the April to June quarter.

Three months cocoa lost £3.50 a tonne on the week, closing at £1,702.50.

Nearby coffee futures lost £34 over the week, closing last night at £1,286.5 a tonne.

Main influence was the minimum export price reduction announced by Colombia along with other measures enabling exporters to compete more freely in world markets.

WEEKLY PRICE CHANGES

[illegible]

MARKET REPORTS

BASE METALS

COPPER—Steady on the London Metal Exchange, but the highest levels were not maintained. After forward metal had moved from £737 to £740 there was no follow-through. Comex was slightly lower. The close on the Kerb was £736. Net gain on the week was £26.25. Turnover: 15,250 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+or —
	£	£	£	£
Wirebars				
Cash	718-.5	+7	714.5-5	+3.5
3 months	738-.5	+6.5	735-.5	+2
Settl'm'nt	718.5	+7	—	.....
Cathodes				
Cash	714-.5	+7	711-.5	+5.75
3 months	734.5-5	+7.25	731.5-2	+5.25
Settl'm'nt	714.5	+7	—	.....
U.S. Smt.	—	.....	*66.5-68	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £718.5, three months £739, 39.5, 39, 38.5, 37.5, 38, 38.5. Cathodes, cash £714.5, three months £734.5. Kerb: Wirebars, three months £738.5, 38, 37.5, 36. Afternoon: Wirebars, cash £715.5, 16, 14.5, three months £736, 35.5, 36, 36.5, 36, 35.5, 35. Cathodes, three months £731.5. Kerb: Wirebars, cash £714.5, three months £735.5, 35, 35.5. Cathodes three months £731.5.

TIN—Quiet—After a rise in the East overnight, forward metal traded around £6,620 before hedge and U.S. selling caused a slide to close on the Kerb of £6,565. Net gain on the week was £85. Turnover: 2,425 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+or —
High Grade	£	£	£	£
Cash	6620-40	—42.5	6610-20	—70
3 months	6585-600	—7.5	6565-80	—62.5
Settlem't	6640	—40	—	.....
Standard				
Cash	6620-30	—45	6610-20	—70
3 months	6575-80	—7.5	6555-60	—68
Settlem't	6630	—45	—	.....
Straits E.	$1750	+33	—	.....
New York	—		—	.....

Morning: Standard cash £6,620, three months £6,620, 10, 15, £6,590, 80, 75, 79, 75, 80. Kerb: Standard, three months £6,580, 85, 90. Afternoon: Standard, three months £6,570, 65, 60, 55. High Grade, cash £6,610. Kerb: Standard, three months £6,565, 60, 65.

LEAD—Little changed, influenced by copper. Weekend covering and hedging against physical demand held forward metal in the morning, when it rose from £323.5 to £327. Later, profit-taking cut it to close on the Kerb at £323.5. Net gain on the week was £11.875. Turnover: 4,975 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	316-.5	+1.5	315.5-6.5	+1.5
3 months	324.5-5	+1.5	324.5-.75	+1.37
Settlem't	316.5	+1.5	—	.....
U.S. Spot	—		*31	.....

[illegible]

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
Cash	315.5-6.5	+3.2	314-5	+5
3 months	325-.5	+2.5	324-.5	+1.75
S'ment	316.5	+3	—	.....
Prim. West	—		29.31	.....

[illegible]

COTTON

[illegible]

... trading. Yesterday's closing prices were (cents per pound): July unquoted 57.00, Oct. unquoted 55.00, Dec. 57.90-58.00, March and May both unquoted. Week's high-low: Dec. 59.00-57.90. Turnover: 119 lots (203).

SILVER

Silver was fixed at 0.85p an ounce lower for spot delivery in the London bullion market yesterday at 280.15p. U.S. cent equivalents of the fixing levels were: spot 528.7c down 3.7c; three-month 538.1c, down 4.7c; six-month 551.6c, down 4.0c; and 12-month 578.7c, down 3.9c. The metal opened at 279.3-280.3p (527-529c) and closed at 279½-280½p (527-529½c).

SILVER per troy oz.	Bullion fixing pricing	+ or —	L.M.E. close	+ or —
Spot	280.15p	—0.85	279.75p	—1.9
3 months	287.2p	—1	286.6p	—2.15
6 months	295.6p	—1	—	.....
12 months	311.6p	—0.9	—	.....

LME—Turnover 110 (83) lots of 10,000 ounces. Three months 287.4. Kerb: Three months 287.4, 87.3. Afternoon: three months 286.8, 6.3, 6.2, 6.1, 5.9, 5.7, 5.8, 5.9, 6, 6.5, 6.7, 6.6. Kerb: Three months 286.7, 6.6, 6.7.

COCOA

Opening easier, the market traded in thin conditions. Light buying interest at the close lifted prices to the "highs" of the day, Gill and Duffus reported.

Sales: 2,699 (3,287) lots of 10 tonnes.

COCOA	Yesterday's Close	+ or —	Business Done
No.6 Con'l't			
July	1685.5-86.0	+1.75	1686.0-70.0
Sept	1703.0-05.5	—2.25	1704.0-1685
Dec	1703.0-04.0	+4.75	1705.0-1688
March	1694.0-95.0	+11.0	1694.0-78.0
May	1680.0-82.0	+7.50	1680.0-67.0
July	1660.0-65.0	+2.00	1665.0-50.0
Sept	1640.0-55.0	+7.50	1640.0

International Cocoa Organisation (U.S. cents per pound)—Daily price July 13: 139.62 (140.... Indicator prices July 14: 15-day average 141.15 (141.33); 22-day average 139.75 (139.84).

COFFEE

ROBUSTAS—Eased initially in very light volume, Drexel Burnham reported. In the afternoon weakness in New York "C" Contract prompted further selling in London. The volume of trade scale-down buying caused values to steady above recent lows. At the close the market was around £30 lower after some light pre-weekend short-covering.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
July	1352-1356	—40.0	1380-1345
September	1286-1287	—31.5	1035-1276
November	1218-1220	—38.5	1242-1218
January	1176-1180	—24.0	1191-1170
March	1137-1148	—13.5	1140-1130
May	1115-1128	—14.0	1123-1115
July	1095-1100	—17.5	1095

[illegible]

GRAINS

[illegible]

Aug. 80.75, Sept. 81.50, transhipment East Coast. U.S. Hard Winter Ordinary, Australian, Argentine, Soviet and EEC grades unquoted.

Maize: U.S./French July 103.00, Aug. 98.75, Sept. 100.00 transhipment East Coast. S. African White Aug. 69.00, Liverpool/Glasgow. S. African Yellow Aug. 69.00 Liverpool/Glasgow. (All sellers.)

Barley, Sorghum Oats: Unquoted.

HGCA—Ex-farm spot prices. July 14. Feed barley: Kent £79.50. Lancashire £82.40.

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

May 7.27-7.29, July 7.47-7.49. Week's high-low: Oct. 6.75-6.40, March 7.47-7.10, May 7.57-7.54, July 7.73. Turnover: 43 lots (63).

EEC IMPORT LEVIES—Effective today for denatured and non-denatured sugar, in units of account per 100 kilos (previous in brackets): Whites 28.06 (28.33); Raws 22.99 (23.74).

WOOL FUTURES

LONDON—Dull and featureless.

[illegible]

MEAT/VEGETABLES

[illegible]

INDICES

FINANCIAL TIMES

July 14	July 13	Month ago	Year ago
238.93	239.44	247.54	252.42

(Base: July 1, 1952=100)

REUTER'S

July 14	July 13	Month ago	Year ago
1443.1	1442.5	1498.2	1545.4

(Base: September 18, 1931=100)

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

Bonn talks unsettle gold and silver

NEW YORK, July 14.

SILVER and Gold traded erratically, reflecting speculator uncertainty ahead of the Bonn meeting. Copper was steady, with Commission House buying on moderate dips. Coffee was lower on trade selling and sugar continued to decline. Light buying steadied cocoa values on possible crop news.

Cocoa—July 143.70 (142.40), Sept. 138.75 (137.45), Dec. 135.40, March 133.30, May 131.20, July 129.45, Sept. 127.65, Dec. 125.25. Sales: 564 lots.

Coffee—"C" Contract—July 140.10-141.00 (144.50), Sept. 127.25 (131.25), Dec. 119.00, March 113.25-113.75, May 110.25 bid, July 108.50-109.00, Sept. 106.50-108.00, Dec. 106.00-107.00. Sales: 512 lots.

Copper—July 61.90 (62.00), Aug. 62.30 (62.40), Sept. 62.50, Dec. 64.60, Jan. 65.20, March 66.30, May 67.30, July 68.30, Sept. 69.30, Dec. 70.70, Jan. 71.20, March 72.20, May 73.20. Sales: 3,100 lots.

Cotton—No. 2: Oct. 59.90 (60.35), Dec. 61.71-61.80 (62.10), March 63.40, May 64.35-64.45, July 65.33-65.44, Oct. 64.73 bid, Dec. 64.78 bid. Sales: 2,050 bales.

*Gold—July 186.00 (185.50), Aug. 186.60 (186.10), Sept. 188.40, Oct. 189.50, Dec. 192.30, Feb. 195.60, April 198.70, June 201.90, Aug. 205.10, Oct. 208.30, Dec. 211.50, Feb. 214.70, April 217.90. Sales: 4,800 lots.

†Lard—Chicago loose 22.25 (unavailable). NY prime steam 23.75 traded (24.00 traded).

†Maize—July 232½-233 (231½), Sept. 234¾-235⅞ (238½), Dec. 245½-245¼, March 253½-254, May 257½, July 259½.

§Platinum—July 241.50 (242.30), Oct. 247.30-247.50 (248.30), Jan. 250.70-250.90, April 253.90-254.10, July 257.50-257.70, Oct. 261.20-261.40, Jan. 364.90-365.10. Sales: 1,181 lots.

¶Silver—July 524.70 (526.00), Aug. 526.30 (528.10), Sept. 530.70, Dec. 541.90, Jan. 545.80, March 553.90, May 562.60, July 571.30, Sept. 580.10, Dec. 593.50, Jan. 598.00, March 607.00, May 616.20. Sales: 5,000 lots. Handy and Harman spot bullion 524.70 (528.10).

Soyabeans—July 650-653 (668½), Aug. 647-650½ (660½), Sept. 628½, Nov. 613½, Jan. 617-617½, March 632½, May 626½-627, July 627½.

||Soyabean Meal—July 171.00-171.50 (171.10), Aug. 168.80-169.30 (170.30), Sept. 169.00-169.30, Oct. 167.50-167.20, Dec. 165.70-165.80, Jan. 166.00-165.60, March 166.00, May 169.20-169.50, July 170.10.

Soyabean Oil—July 25.05-25.10 (25.35), Aug. 24.25-24.45 (24.62), Sept. 23.55-23.50, Oct. 22.75, Dec. 22.15-22.25, Jan. 22.15, March 22.05-22.10, May 22.10, July 22.00-21.90.

Sugar—No. 11: Sept. 6.31-6.33 (6.41), Oct. 6.45-6.47 (6.55), Jan. 6.75-6.92, March 7.15-7.16, May 7.31-7.32, July 7.48-7.49, Sept. 7.60-7.70, Oct. 7.75-7.50. Sales: 3,730 lots.

Tin—560-576 nom. (570-578 nom.).

**Wheat—July 312½-312 (313), Sept. 315-315½ (316), Dec. 321½-322½, March 324-323½, May 321½-321, July 314.

WINNIPEG, July 14. ††Rye—July 99.20 bid (99.20), Oct. 99.90 bid (99.90 bid), Nov. 98.80 asked, Dec. 96.50 asked, May 100.20 asked.

††Oats—July 71.50 bid (71.90 bid), Oct. 72.00 bid (72.00 asked), Dec. 71.90 bid, March 71.40 bid, May 72.00.

‡‡Barley—July 73.70 bid (73.80), Oct. 71.50 bid (73.50 asked), Dec. 73.50 bid, March 73.50 bid, May 73.80 asked.

§§Flaxseed—July 233.00 bid (234.00 bid), Oct. 234.00 (235.00 asked), Nov. 234.50 asked, Dec. 232.50 bid, May 240.90 asked.

**Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 162.37 (162.63).

All cents per pound ex-warehouse unless otherwise stated. * $s per troy ounce—100 ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime steam fob. NY bulk tank cars. ‡ Cents per 56 lb bushel ex-warehouse, 5,000 bushel lots. § $s per troy ounce for 50 oz units of 99.9 per cent purity delivered NY. ¶ Cents per troy ounce ex-warehouse. || New "B" contract in $s a short ton for bulk lots of 100 short tons delivered f.o.b cars Chicago, Toledo, St. Louis and Alton. ** Cents per 60 lb bushel in store. †† Cents per 24 lb bushel. ‡‡ Cents per 48 lb bushel ex-warehouse. §§ Cents per 56 lb bushel ex-warehouse, 1,000 bushel lots. ¶¶ $C per tonne.

APPOINTMENTS

New chairman at Whiteways

Mr. Richard Whiteway has been made chairman of WHITEWAYS OF WHIMPLE, the Devon drinks company. He has also been appointed joint managing director with Mr. Eric Whiteway. These appointments follow the death of the chairman and managing director, Mr. Reginald P. W. Whiteway.

In addition, Mr. Eric Whiteway has been appointed a director of Showerings, of Shepton Mallet. Mr. Richard Whiteway is already vice chairman of Showerings, Vine Products and Whiteways, the wines, spirits and soft drinks division of Allied Breweries.

★

Mr. John O. Robertson has been appointed managing director of the building products division of Glynwed Foundries. Prior to his appointment Mr. Robertson was general manager of British Leyland's Beans Foundry in Tipton. Mr. H. T. Creffield, formerly manufacturing director of Glynwed Foundries, has been appointed director and general manager of Glynwed Foundries automotive and engineering castings division. Both Mr. Robertson and Mr. Creffield will be based at Telford, Shropshire.

★

Mr. C. G. N. Smith, group general manager, has been appointed a director of the NATIONAL BANK OF AUSTRALASIA. Mr. Smith has been chief executive since August, 1976.

★

Mr. John P. Keehan, has been appointed president and general manager, MOBIL PRODUCING NORTHWEST EUROPE INC. Formerly general manager, energy minerals, of Mobil's exploration and producing division, New York, Mr. Keehan takes up his new position in London. His responsibilities include management of Mobil's exploration and producing activities in the UK sector of the North Sea where the company is the operator of the Beryl Field, and Mobil's interests in acreage offshore Ireland and the Netherlands. Mr. Keehan succeeds Mr. John G. Luttrell who takes up the new position of vice-president, administration exploration and producing division, at Mobil's New York headquarters.

★

Following the purchase by BAT Industries of the Appleton Papers division of NCR Corp., WIGGINS TEAPE announces the management changes to take effect from September 1. Mr. John Worlidge will become chief executive, Wiggins Teape International Operations, responsible for all operations outside the UK except North America. This will include responsibility for Wiggins Teape Europe and Wiggins Teape Overseas. Mr. John Chumrow becomes director of Carbonless Papers Operations, responsible for the strategic development of the carbonless papers business worldwide. Mr. Chumrow will relinquish his present responsibility for Wiggins Teape's UK Printings and Writings division. Mr. John Hangen, now president of Appleton Papers, will become chairman and chief executive of Appleton Papers Inc., when formed as a separate company. Mr. Hangen will join the Wiggins Teape Group board. Mr. Richard Green will join the Wiggins Teape Group board.

★

SIME DARBY has announced changes on the Board of its Western International Division, which covers activities in Europe, the Middle East, America and India. Mr. P. R. Clayton, chairman and managing director of Butler Till and Guy Butler (International), Sime Darby's London-based money-broking companies, and Mr. A. W. S. Turner, managing director of Sime Darby Trading, its London commodity trading company, are appointed to the Board. Two non-executive directors, Mr. J. C. Dennett and Mr. G. E. Liardet, have left the Board.

★

Mr. A. K. Hornsby has been appointed to the Board of SMITHS INDUSTRIES as financial director from August 6. Mr. Hornsby was previously financial controller.

★

From July 31, Mr. W. Collins is resigning as a director of C. E. Heath and Company (Marine) and leaving the C. E. HEATH GROUP to take up the position of managing director of Mid-Ocean Management. This company has been formed to manage certain marine interests in both the insurance and non-insurance field and all these interests and companies are clients of the C. E. Heath Group. From time to time, Mr. Collins will be involved in certain aspects of C. E. Heath's marine clients on a consultancy basis.

★

Mr. R. H. Brandon, Mr. D. T. Little and Mr. A. R. Dunkerley have been appointed directors of C. T. BOWERING and COMPANY (INSURANCE).

★

Mr. R. G. C. Messervy, who has been appointed a non-executive director of RICHARD COSTAIN, is managing director of Lucas Industries.

BP Chemicals changes

The following appointments have been made by BP CHEMICALS, to take effect from September 1: Mr. C. H. Thompson, works general manager, Barry, to be works general manager at Baglan Bay factory; Mr. A. A. Dunn, works general manager, Hull, to be works general manager at Barry factory. Mr. A. J. T. Unwin, works manager, Hull, to be works general manager, Hull factory; Dr. J. H. Routley, development manager, Hull, to be works manager, and be succeeded by Dr. G. W. Alderson, currently operations manager, London production group; Mr. J. K. W. Stevenson will replace Dr. Alderson as operations manager. Additionally, Mr. R. R. Knowland, currently works general manager, Baglan Bay is to transfer to London office to take up a new post concerned with the proposed acquisitions from Union Carbide and Monsanto.

★

Mr. P. J. Prynn has been made an associate of HALCROW FOX AND ASSOCIATES, consultants in urban, regional and national transportation planning. He will head the firm's economic unit and will be responsible for all economic aspects of transportation studies. Mr. Prynn was formerly the managing director of Economic Associates.

★

Mr. Augustus L. Putnam has been appointed executive vice-president and designated chief administrative officer of ALLIED BANK INTERNATIONAL.

★

BANK OF AMERICA has made the following appointments in Europe, Middle East and Africa division: Mr. John Apre, Jr., to vice-president of Rotterdam branch; Mr. Horst Magiera, to vice-president and manager, Jersey branch; and Mr. Putnam, to vice-president of the division's data processing services.

★

Mr. R. E. Gibbons has joined the board of BRUSH FUSEGEAR, Burton-on-the-Wolds, as production director and Mr. R. E. Malone has been made a director of SOUTH WALES SWITCHGEAR, Blackwood, Gwent. Both are Hawker Siddeley companies.

★

Mr. William C. Chatman, who in 1975 was manager of process plant sales for Foster Wheeler, of Reading, has been elected a vice-president of FOSTER WHEELER ENERGY CORP., Livingston, New Jersey.

★

Mr. G. Morgan has been appointed chief executive and a director of BLAND PAYNE (AVIATION), and Mr. M. J. Cowie has been made a director. Mr. D. Cotgrove has been appointed an executive director and Mr. R. Adams, Mr. C. D. Mahoney, Mr. C. N. Palmer, Mr. A. A. Skinner, Mr. R. A. Sullivan and Mr. R. M. Utton have been appointed assistant directors of the company.

★

Mr. J. D. Spooner has joined the board of MORGAN CRUCIBLE COMPANY. He is a director of John Swire and Sons, and chairman of the NAAFI.

★

Mr. J. W. Moffat and Mr. J. L. Kenward have been appointed directors of MARLEY FLOORS and Mr. M. Gray has been appointed a director of MARLEY RETAIL SUPPLIES.

★

Mr. W. S. Park has been made managing director of WELLMAN ENGINEERING AFRICA (PTY.).

★

QUILTER HILTON GOODISON AND CO., stockbrokers, announce that Mr Hugh Dykes, MP for Harrow East, has been appointed an associate member of the firm. He will assist in the development of QHG's business in Europe, particularly in France.

★

Mr. John Gilbert has been made managing director of HARKWELL PRESS, Leyton. He was previously production director. Two other board appointments have also been announced by the Harkwell Group. Mr. David Deller, who has been managing director of both Harkwell Adhesive Labels and Krisson Printing for the past four years, has relinquished his position with the latter company. This will enable him to concentrate his attention on the expansion of Harkwell Adhesive Labels. Mr. J. Deller has been appointed managing director of Krisson Printing, and Mr. John Thomas as works director of Harkwell Adhesive Labels.

★

Mr. Ron Burbridge has become director of projects with the generation development and construction division of the CENTRAL ELECTRICITY GENERATING BOARD. Mr. Burbridge was previously project manager for the CEGB's Grain power station being built on the River Meadway, Kent.

★

Mr. W. G. Richardson, Leeds area manager of NATIONAL WESTMINSTER BANK, has been appointed assistant regional director of the bank's South-East Region. He succeeds Mr. T. P. Frost, who is being seconded to international banking division for special duties.

Thursday's by-election results analysed

DETAILED RESULTS of Thursday's by-elections at Manchester, Moss Side and Penistone are given below:

MANCHESTER MOSS SIDE

G. Morton (Lab.)	12,556
T. Murphy (Con.)	10,998
P. Thomson (Lib.)	2,502
E. Andrew (NF)	623
V. Redgrave (WRP)	394

Labour majority 1,558.

October, 1974: F. Hatton (Lab.) 15,212; J. Lee (Con.) 11,101; W. Wallace (Lib.) 5,686; N. Boyle (Ind. Civic Rights) 238; H. Smith (Pros. Brit.) 96. Maj. 4,111.

The figures (October, 1974 figures in brackets):

Electorate 52,480 (51,444).

Poll 51.59 per cent (62.8 per cent)

Party votes and percentages:

Lab: 12,556 (15,212) 46.37 per cent (47.0 per cent); Con: 10,998 (11,101) 40.62 per cent (34.3 per cent); Lib: 2,502 (5,686) 9.25 per cent (17.6 per cent); WRP: 394 (did not stand) 1.46 per cent; NF 623 (did not stand) 2.30 per cent.

Swing to Tories: 3.47 per cent (2.9 per cent to Labour).

PENISTONE

A. McKay (Lab.)	19,424
I. Dobkin (Con.)	14,053
D. Chadwick (Lib.)	9,241

Labour majority 5,371.

October 1974: J. J. Mendelson (Lab.) 27,146; G. C. W. Harris (Con.) 12,011; D. Chadwick (Lib.) 10,900. Majority 15,135.

The figures (October, 1974, figures in brackets):

Electorate 71,437 (67, 060).

Poll 59.80 per cent (74.6 per cent).

Party votes and percentages:

Lab: 19,424 (27,146) 45.47 per cent (54.2 per cent); Con: 14,053 (12,011) 32.90 per cent (24.2 per cent); Lib: 9,241 (10,900) 21.63 per cent (21.8 per cent).

Swing to Tories: 8.81 per cent (2.3 per cent to Labour).

This week's SE dealings

Friday, July 14	4,172	Wednesday, July 12	4,270	Monday, July 10	4,834
Thursday, July 13	4,061	Tuesday, July 11	4,672	Friday, July 7	4,249

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fractions of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ◈ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ◈ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (683)

CORPORATIONS (37)

PUBLIC BOARDS (35)

COMMONWEALTH GOVTS. (8)

FOREIGN STOCKS (10)

UK RAILWAYS (3)

FOREIGN RAILWAYS (—)

BANKS (107)

BREWERIES (123)

CANALS AND DOCKS (10)

COMMERCIAL (2334)

Massey Ferguson 7½pcLn. 65 (10/7)
Matthews (Bernard (25p) 148◈
May Hassell (25p) 62 60 (11/7)
Maynards (25p) 124
Mears Bros. (25p) 15 13 ½
Meat Trade Suppliers (25p) 84◈ (13/7)
Meggitt Hldgs. (5p) 16½
Mentmore (5p) 15½ 16½
Menzies (J.) (Hldgs.) (20p) 157 (13/7). 9pcPf. 98 (11/7)
Metal Box 320◈ 2◈ 19◈ 24 3 18‡. 4.9pcPf. 55. 10½pcLn. 84◈
Metal Box Overseas 3.675pcPf. 45 (11/7)
Metal Closures (25p) 102
Metalrax (Hldgs.) (5p) 42◈
Mettoy (25p) 61

Shorman (Samuel) (10p) 13½‡ 29-64ths‡ 14
Shiloh Spinners (25p) 33 (13/7)
Sidlaw Industries (50p) 94 (13/7)
Siemssen Hunter (10p) 58 9 (11/7)
Silentnight Hldgs. (10p) 76. New (10p) 75
Silhouette (London) (20p) 48
Silverthorne Group (10p) 18 (11/7)
Simon Engineering (25p) 223
600 Group (25p) 88½ 8 9
Sketchley (25p) 111◈. New (25p) 110½
Smith and Nephew Assoc. (10p) 70½ 69½. 8pcLn. 128 (10/7)
Smith (D. S.) (Holdings) (20p) 110‡◈ ½◈

FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 21.7.78.

Terms (years)	3	4	5	6	7	8	9	10
Interest %	10¾	11	11¼	11½	11¾	12	12¼	12½

Rates for larger amounts on request. Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-928 7822, Ext. 177). Cheques payable to "Bank of England, a/c FFI." FFI is the holding company for ICFC and FCI.

Provident Financial Grp. (25p) 93 (12/7). 7pcPf. 79½ (12/7)
Sime Darby Hldgs. (10p) 104● 2½. 10pc Ln. 1978 (London Reg.) 225½ (13/7)
Smith Bros. (25p) 59 60 (11/7)
Stock Exchange 7¼pcDb. 61¼●
Unisec Group (R0.20) 66● (13/7)
United Dominions Trust (25p) 42 3 2½ 1½. 16ncLn. 142 39 (13/7)
West of England Trust (25p) 54½ (12/7)
Western Selection Development (20p) 28● (13/7)
Yorkgreen Invests. (10p) 15½ (12/7)
Yule Catto (10p) 76

SHIPPING (34)

Brit. C'wealth (50p) 279 (13/7)
Caledonia Invs. (25p) 241
Furness Withy 232 4
Hall Bros. A N-V 40
Hunting Gibson 108½● (13/7). 6pcPf. 41 (10/7)
London O'seas (25p) 27¼
Lyle A N-V (25p) 406 (11/7). 5¼pcPf. 48½
Ocean Transport Trading (25p) 107
P. and O. 5pcPfd. 37 (11/7). Dfd. 84 5 3½ 5½ 3 4½
Reardon Smith (50p) 69. A N-V (50p) 32½● ½
Runciman (Walter) (25p) 75●

WATERWORKS (8)

Bristol Waterworks 4.025pcPf. 65½ (12/7)
Colne Valley Water 4.025pcPf. 57½ (11/7)
East Surrey Water B 4.9pc 46½. 4.2pc Pf. 62 (10/7)
Eastbourne Waterworks 4.2pcPf. 66¼ (12/7)
Essex Water 3.5pcCons.Stk. 35 (10/7). 10½pcDb. 81●
Lee Valley Water 3.5pc Ord.Stk. 34 (10/7). 5.95pcPf. 77½ ½ 7
Mid Kent Water Co. 4.2pc (fmly. 6pc) Red Pf. Stk. 65 (12/7)
Mid Southern Water Co. 3.5pc (fmly. 5pc) Cons. Ord Stk. 33½ (11/7). 4.025pc (fmly. 5¾pc) Red. Pf Stk. 69 (11/7)
Portsmouth Water Co. 3.5pc (fmly. 5pc) Ord. Stk. (12/7). 4.025pc (fmly. 5¾pc) Red. Pf. Stk. 66½ (12/7)
South Staffordshire 7½pcDb. 62 (13/7)
Sunderland South Shields 7pcDb. 66
West Kent 7pcPf. 98¼
York 15pcDb. 107 (10/7)

SPECIAL LIST

Business done in securities quoted in the Monthly Supplement.

JULY 14 (2)

Wade Potteries 6pcPf. 18½●

JULY 13 (2)

Chepstow Racecourse 390

JULY 12 (Nil)

JULY 11 (2)

Bulgarian 4½pc 1909 £10●

JULY 10 (6)

Barson 6pcCum.Pf. 37
Nikolaef (City of) £10●
Perth (City of) 5pcLn. 1914 £100● 15
Saragoff (City of) £10●

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an overseas Stock Exchange.

JULY 14

Anglo Utd. 202
Aust. Oil 53● 1●
Bougainville Copper 124
Bow Valley £21¼
Bridge Oil 93● 3
Canadian Southern Pets. 375
Conzinc Rio Tinto 238
Gold Copper Ex. 20●
Hudson Bay Mng. £12⁷₁₆●
Husky Oil 29¼
Hutchinson Whampoa 7½pcPf. 17. Do. Ord. 108½
Jardine Matheson 281½ 5
Jardine Secs. 134½ 4
Kraftco US$ 47⅞●
Louisiana Land £16⅛●
Marabou Series B £16
Metal Explrn. 30 28½ 9
Nthrn. Mng. 110● 99●
Ocean Resources 21
Oil Search 13½● 14
Peko Wallsend 514
Playboy Enterprises £15½
Rhodesia Cables 68
Scudder Duovest 635●
Siemens A. G. US$ 138½●
Swire Pac. A 152● 1½ 2
Thelss Hldgs. 248●
Unilever NV (Fl 20) US$ 55.20●
Wheelock Marden A 55 ½
Woodside Burmah 68 9
Zaalplatts Tin 160●

JULY 12

Aberfoyle 135
American Telephone 45●
Ampol Pet. 76½● 6
Amsterdam Rotterdam Bk. £27
Argo Invs. 147
BP Canada £10⅜
Beach Pet. 50
Broken Hill South 111
Eastbourne Waterworks (14.9pcMax.) 49
Endeavour Oil 25
Falconbridge Nickel £15½●
Haw Par 48½
Hong Kong Land 173½ 2½
Hudson Bay Oil Gas £31½
Kulim Rubber 58½●
McDonalds Cpn. US$ 53¼
Murphy Ores 10
Otter Ex. 41● 1
Pan Continental £13¼● ¼● 13.35½●
13.41½●
Petrofina £92●
Raytheon US$ 49¾
Santos Oil 1●
S. African Eagle Ins. 120
Spargo 37●
Swire Props. 58 ½
Tandy Cpn. US$ 22¼
Techtronic £33¼
Tricontinental £15¼●
Yukon Consd. 169

JULY 12

Brit. Contd. Oilfields 7pcPf. 13
Bukit Sembawang 90
Central Pac. Minerals £5½●
Coles (G. J.) 185
Colonial Sugar Refineries 279
Eurounion £35●
Geometals 10
Gulf Oil 19½
Hong Kong Kowloon 428
Morris (Philip) 55¼●
Norsman Mng. 8
Pac. Copper 46
Place Gas Oil US$ 0.80
Rembrandt 213
Rio Algom Mines £23⅛
Smith Kline Cpn. £69¼
Sthrn. Pac. Pets. 206●
Target Petroleum 17●
Thomas Nationwide Transport 104●
Utah Mng. 390
Waltons 79
Woodside Oil 71
Woolworth Australia 142

JULY 11

Afrikander Leases 258●
Alco Prods. US$ 41¼●
Australian Foundation 96
Avon Prods. £45
Baxters Travenol Labs. £34⅛●
Boeing Cpn. £42⅜
Coastal State Gas £13¼
Ciba Geigy 7¼pcCnv. 91. Do. 8¼pcCnv. 91
Nicholas Intnl. 77
Walt Disney £33¼●

JULY 10

Ampol Exploration 126●
Bounty Investment New 16
Ciba Geigy 8pcConv. 89½
Flanigans Enterprises 240●
Imperial Tobacco (Canada) £23½●
Lion Breweries 78●
Matheson 7¼pcConv. 110
Mount Isa 196●
North West Mining 30
Penney (J. C.) £28⅞
Pioneer Concrete 138
Polaroid Corpn. £32⅛
Resorts Int. £57½● 4¼●
Sabina Inds. 44½●
Trust Bank of Africa 23
Windsor $US0.66½●
Woolworth (NZ) 46●

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

JULY 14

All England Lawn Tennis Ground £50Dbs. 1981-85 (£324 pd.) £2500
Aran Energy 120 18
Caird (Dundee) 5pcCum.Pf. 22
Cambridge Instrument 1½ ¼
Clyde Petroleum 126
Dawson (Wm.) Hldgs. 46 5¾
Dollar Land Hldgs. 19 17
Eldridge Pope A 180 5
GRA Prop. Tst. 13¼ ½ ¼
Javelin Equity Trust 175
Kenmare Oil Exploration 36
Mining Inv. Cpn. 35¼ ½ 5 3½
NMW Computers 168
Nationwide Leisure 6
Oldham Brewery 67
PMPA Insurance 35
St. Pancras Housing Soc. 2½pcLn. £13 11½ 10
Southsea Clarence Esplanade Pier 6pc Cum.Pf. 50
Viking Oil 108

JULY 13

Aston Villa FC £18
Burrough (James) 103½ ¼
Castletown Brewery 200
Cedar Holdings 13
Cedar Holdings 5pcRd.Cnv.Pf. 31½ 1
Cramphorn 290
Dollar Land Hldgs. 19 17
Everton FC £125
Flextech Oil Pipe (Hldgs.) 150½
Forestry Pulp and Paper (A$1) 15
Jersey Gas 75
Jersey New Waterworks 260
Liverpool FC £120
Nationwide Leisure New 6 5½
New Court Natural Resources 11
Paisley Ice Rink 53
Plymouth Hotel 125

JULY 12

Ann Street Brewery 500
Bishopsgate Offshore Services 100 98½
Clairmace 35
Conister Trust New (50p pd.) 65
Doloswella Hldgs. 25
Fuller Smith and Turner A 295
Jersey Gas 3pcCum.Pf 20½
Jersey New Waterworks 3½pcCum 2ndPf. 120
Jersey New Waterworks 5pcCum.Pf. 170
Le Riches Stores 500 3
Rangers FC 800
Selton Hotel 175
Sleaford Property (Hldgs) 150
Sutton Harbour Imp. 100

JULY 11

Brit. Uralite 8
Hartley Baird 1
Jersey Electricity A 85
Jersey Electricity 3½pcCum. now Ptg.Pf. 25
Jersey Electricity 5pcCumPtg.Pf. 46
Le Riches Stores 5pcPf. 35
Oldham Estates 125
Sheffield United FC £250

JULY 10

Blythe Greene Jourdain 175
Dart Valley Light Railway 30
Ormerod (John) and Sons 7½pcCum.Pf. (50p) 25
Petroleum Royalties of Ireland 200
Standard Mill 25
Urogate Investments 78

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

JULY 13

CCP North Sea Associates 775 62½
Siebens Oil and Gas (U.K.) 370 69 8 5 4 2 60 58 6 4 2 50 49 8 4 2 38

JULY 12 (Nil)

JULY 11

Siebens Oil and Gas (U.K.) 348 4 0

JULY 10

Siebens Oil and Gas (U.K.) 346 4 2 40 38 4

JULY 7

CCP North Sea Associates 775
Cluff Oil 360
Siebens Oil and Gas 344 3 2 0 35 6 5 4 2 0 28 6

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley Metro. (0226 203232)	11	½-year	250	5-7
Knowsley (051 5486555)	11¾	½-year	1,000	5-7
Poole (02013 5151)	10¾	½-year	500	5
Poole (02013 5151)	11½	½-year	500	6-7
Redbridge (01-478 3020)	11	½-year	200	5-7
Thurrock (0375 5122)	11½	½-year	300	4
Thurrock (0375 5122)	11¾	½-year	300	5-8

BUILDING SOCIETY RATES

	Deposit Rate	Share Accnts.	Sub'pn Shares	*Term Shares
Abbey National	6.45%	7.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs.
Alliance	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., 6.95% 1 yr.
Anglia Hastings & Thanet	6.45%	6.70%	7.95%	7.70% 3-4 yrs., 7.20% 2 yrs., 6.95% 1 yr.
Birmingham Incorp.	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., 6.95% 1 yr.
Bradford and Bingley	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £200
Bristol and West	6.45%	6.70%	7.95%	—
Bristol Economic	6.45%	6.70%	7.95%	6.95% 3 months' notice
Britannia	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £500
Burnley	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs.
Cardiff	6.45%	7.25%	8.25%	—
Catholic	5.00%	●5.80%	6.75%	— ● 5.80% over £5,000
Chelsea	6.45%	6.70%	7.95%	7.45% min. £500 6 months' notice
Cheltenham & Gloucester	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs. (£500-£15,000)
Citizens Regency	6.45%	7.05%	8.25%	8.30% 3 yrs., min. £5,000
City of London	6.70%	7.00%	7.95%	7.92% 3 yrs. increment share—min. £500
Coventry Economic	6.45%	6.70%	7.95%	7.70% 3 yrs. min., 7.20% 3 mths.' notice
Coventry Provident	6.45%	6.70%	8.70%	7.95% 3 yrs., 6.95% 2 yrs.
Derbyshire	6.45%	6.70%	7.20%	— up to 7.2% 3 months' notice
Gateway	6.45%	6.70%	7.95%	7.70% 3yrs., 7.20% 2yrs., min. £500-£15,000
Guardian	6.45%	6.93%	7.20%	7.65% 3 months' notice, £1,000 min.
Halifax	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs.
Heart of England	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 3 months' notice
Hearts of Oak & Enfield	6.45%	6.95%	8.45%	8.20% 4 yrs., 7.95% 3 yrs., 7.70% 2 yrs.
Hendon	6.70%	7.20%	—	7.70% 6 months
Huddersfield & Bradford	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs.
Leamington Spa	6.55%	6.80%	8.95%	7.55% 2 yrs., 8.25% 1 yr.
Leeds Permanent	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £1,000
Leicester	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., 6.95% 6 mths.
Liverpool	6.45%	6.70%	8.15%	7.80% 3 yrs., 7.30% 2 yrs., min. £1,000
London Goldhawk	6.45%	6.95%	8.20%	—
Melton Mowbray	6.55%	6.80%	7.95%	7.55% 2 yrs., min. £2,000
Midshires	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £250
Mornington	6.50%	7.50%	—	—
National Counties	6.70%	7.00%	8.00%	7.45% 3 months, min. £1,000
Nationwide	6.45%	6.70%	7.95%	7.70% 3-4 yrs., 7.20% 2 yrs., min. £500
Newcastle Permanent	6.12%	6.70%	8.00%	8.00% 3 yrs., 7.20% 2 yrs.
New Cross	7.25%	7.50%	—	—
Northern Rock	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.20% 2 yrs., min. £100
Norwich	6.45%	6.70%	8.20%	7.70% 3 yrs., 7.45% 2 yrs., min. £500
Paisley	5.25%	5.50%	6.75%	6.50% 3 yrs., 6.00% 2 yrs., min. £500
Peckham Mutual	6.75%	7.25%	—	—
Portman	6.45%	6.70%	7.95%	7.70% 3 yrs., 7.45% ½-yrly., 6.95% 3 mths.
Principality Buildg. Society	6.45%	6.70%	7.95%	7.20% 2 yrs., minimum £500
Progressive	6.70%	6.95%	7.95%	7.95% 3yrs., 7.70% 2yrs., 7.45% 3mths.not.
Property Owners	6.45%	7.20%	8.45%	7.65% 3 mths. not., 5.70% to limited cos.
Provincial	6.45%	6.70%	7.95%	7.70% 3-4 yrs., 7.20% 2 yrs.
Skipton	6.45%	6.70%	7.95%	7.70% 3yrs., 7.20% 2yrs., 6.95% 3mths.not.
Sussex Mutual	6.45%	7.00%	8.75%	8.05% 3 yrs., 7.75% 2 yrs., 7.50% 1 yr.
Town and Country	6.45%	6.70%	✚10.00%	7.70% 3 yrs., 7.20% 2 yrs. ✚ Max. £250
Woolwich	6.45%	6.70%	7.95%	7.20% 2 yrs., 7.70% 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.

Currency, Money and Gold Markets

UK MONEY MARKET

Fall in bill rate

Bank of England Minimum Lending Rate 10 per cent (since June 8, 1978)

The Treasury bill rate fell by 0.0323 per cent at yesterday's tender to 9.2446 per cent and the minimum accepted bid was £97.69½ compared with £97.68½ the previous week. Bids at that level were met as to about 89 per cent. *The £300m bills tendered* and allotted attracted bids of £571.75m and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar number of maturities.

Day-to-day credit was again in short supply in the London money market and the authorities gave assistance by buying a moderate amount of Treasury bills all direct from the houses and a small number of eligible bank bills. Part of this package is for resale to the market at a fixed future date. Total buying was large and this was in addition to an exceptionally large amount lent over the weekend at MLR, to eight or nine houses. Total assistance, which was on an exceptional scale appeared to be slightly overdone and discount houses were paying 9-9½ *per cent* for secured call loans towards the end of the day.

The market was faced with a substantial net take up of Treasury bills and a very sizeable increase in the note circulation. This was in addition to the repayment to the authorities of Thursday's very large overnight lending and the call on Exchequer 12 per cent 2013-17.

Rates in the table below are nominal in some cases.

EXCHANGES AND GOLD

Activity in yesterday's foreign exchange market fell away ahead of the weekend and the Bonn summit. Sterling improved during the morning on a slightly weaker dollar to touch a best level for the day $1.8920-1.8925 before easing towards the close to finish at $1.8820-1.8830, a loss of 40 points on the previous close. Using Bank of England figures, the pound's trade weighted index was unchanged at 62.0, having *shown a slightly firmer tendency* at noon to 62.1. The pound tended to fade a little in later trading as the market registered slight disappointment to the Retail Price Index calculation for June and UK balance of payment figures.

The U.S. dollar lacked any real trend and after an easier start it started to recover during the afternoon. In terms of the U.S. currency, the West German mark fell to DM 2.0592½ from DM 2.0560 while the Swiss franc also eased slightly to SwFr 1.8135 against SwFr 1.8130 previously.

On the other hand the French franc lost ground to FFr 4.4575 from FFr 4.4412½. Using Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation was unchanged at 7.7 per cent.

Gold lost $½ an ounce to $185¾-$186¼ after touching $186¼-187 just before noon and easing during the afternoon on a slightly *firmer dollar*.

THE POUND SPOT

July 14	Bank rate %	Day's Spread	Close
U.S. $	7½	1.8815-1.8925	1.8821-1.8830
Canadian $	8½	2.1140-2.2265	2.1145-2.1155
Guilder	4	4.17-4.18½	4.17½-4.18½
Belgian Fr.	5½	61.00-61.25	61.05-61.15
Danish Kr.	8	10.55-10.60	10.55½-10.56½
D-Mark	3	3.87-3.89¼	3.87½-3.88½
Port. Esc.	18	85.80-86.49	85.85-85.95
Span. Pes.	8	145.70-148.25	145.75-145.85
Lira	11½	1,585-1,603	1,586-1,587
Norwgn. Kr.	7	10.17½-10.22½	10.17½-10.18½
French Fr.	9½	8.37-8.41	8.39½-8.39½
Swedish Kr.	7	8.56-8.60	8.56-8.57
Yen	3½	378-388	381-383
Austria Sch.	4½	27.90-28.15	27.96-28.00
Swiss Fr.	1	3.40½-3.48	3.41-3.42

Belgian rate is for convertible francs. Financial franc 61.80-61.90.

OTHER MARKETS

July 14	£	$		£ Notes Rate
Argentina Peso	1.499-1.503	796.28-798.40	Austria	27¼-28¼
Australia Dollar	1.6385-1.6483	0.8714-0.8725	Belgium	61-62½
Finland Markka	7.9100-7.9250	4.2020-4.2040	Denmark	10.50-10.65
Brazil Cruzeiro	34.48-34.48	17.78-18.32	France	8.30-8.45
Greece Drachma	68.397-70.775	36.33-37.60	Germany	3.80-3.90
Hong Kong Dollar	8.75-8.77	4.6540-4.6560	Italy	1570-1600
Iran Rial	130-136	69.06-72.24	Japan	380-390
Kuwait Dinar (KD)	0.511-0.521	0.2714-0.2767	Netherland	4.10-4.25
Luxembourg Franc	61.00-61.10	32.44-32.46	Norway	10.10-10.25
Malaysia Dollar	4.43-4.45	2.3590-2.3600	Portugal	80-85
New Zealand Dollar	1.8163-1.8263	0.9648-0.9671	Spain	1,435-1,465
Saudi Arabia Riyal	6.44-6.54	3.42-3.47	Switzerland	3.35-3.45
Singapore Dollar	4.34-4.36	2.3070-2.3080	United States	1.88-89½
South African Rand	1.6528-1.6498	0.8673-0.8764	Yugoslavia	54-56

Rate given for Argentina is free rate.

GOLD

	July 14	July 13
Gold Bullion (a fine ounce)		
Close	$185¾-186¼	$186-186¾
Opening	$185½-186	$186¼-187
Morning fixing	$186.00 (£98.550)	$186.70 (£98.574)
Afternoon fixing	$186.05 (£98.585)	$186.70 (£98.720)
Gold Coins domestically		
Krugerrand	$194-196 (£103-104)	$192½-194½ (£102½-103½)
New Sovereigns	$55½-57½ (£29½-30½)	$55½-57½ (£29½-30½)
Old Sovereigns	$54½-56½ (£29-30)	$55-57 (£29½-30½)
Gold Coins internationally		
Krugerrand	$191-193 (£101½-102½)	$191½-193½ (£101½-102½)
New Sovereigns	$54-56 (£28½-29½)	$53½-55½ (£28½-29½)
Old Sovereigns	$54½-56½ (£29-30)	$55-57 (£29½-30½)
$20 Eagles	$277½-280	$277½-280
$10 Eagles	$141-146	$144-146
$5 Eagles	$100-105	$100-105

LONDON MONEY RATES

July 14 1978	Sterling Certificate of deposits	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ϕ	Eligible Bank Bills ϕ	Fine Trade Bills ϕ
Overnight	—	7-11	—	—	—	10¼-10¾	9-10	—	—	—
2 days notice	—	—	9⅞-10⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	11	—	—	—	—
7 days notice	—	10⅛-10⅜	10	—	10⅛-10¾	—	9¾-9⅞	—	—	—
One month	10⅛-10⅛	10¼-10⅜	9⅞-10	10¼-9⅞	10⅛-10½	10⅝	9⅝	9⅛-9¼	10⅛	10½
Two months	10⅛-10	10⅛-10¼	—	9⅞-9⅝	10⅛-10½	—	9½	9¼	9⅞-9⅞	10½
Three months	10⅛-9⅞	10⅛-10⅛	9¾-9⅞	9⅞-9¾	10⅛-10⅝	—	9⅜-9½	9⅛-9⅛	9⅞-9⅞	10⅝
Six months	10⅛-9⅞	10⅛-10⅛	9⅞-10⅛	9⅞-9½	10¼-10¾	—	—	—	9⅞	10¾
Nine months	10⅛-10⅛	10¼-10⅜	—	10⅛-9¼	10¾-11	—	—	—	—	—
One year	10⅛-10⅛	10⅛-10⅜	10-10⅜	10¼-9¾	10¾-11	—	—	—	—	—
Two years	—	—	10⅞-11⅛	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. Longer-term local authority mortgage rate nominally three years 11½-11¾ per cent; four years 12-12¼ per cent; five years 12¼-12½ per cent. ϕ Bank bill rates in table are buying rate for prime paper. Buying rates for four-month bank bills 9⅞-9¾ per cent; four-month trade bills 10½ per cent.

Approximate selling rates for one-month Treasury bills 9⅛-9¼ per cent; two-month 9¼ per cent; and three-month 9⅜-9¼ per cent. Approximate selling rate for one-month bank bills 9⅞-9⁵⁄₁₆ per cent; and two-month 9⅞-9¹³⁄₁₆ per cent; and three-month 9⅞-9¾ per cent. One-month trade bills 10⅜ per cent; two-month 10⅜ per cent; and also three-month 10⅜ per cent.

Finance House Base Rates (published by the Finance Houses Association): 10 per cent from July 1, 1978. **Clearing Bank Deposit Rates** (for small sums at seven days' notice) 6½-7 per cent. **Clearing Bank Base Rates for lending** 10 per cent. **Treasury Bills: Average tender rates of discount 9.2446 per cent.**

CURRENCY RATES

July 14	Special Drawing Rights	European Unit of Account
Sterling	0.659916	0.665280
U.S. dollar	1.24645	1.25706
Canadian dollar	1.40051	1.41365
Austrian schilling	18.4662	18.6006
Belgian franc	40.3725	40.7168
Danish kroner	6.99570	7.05420
Deutsche Mark	2.56170	2.58338
Guilder	2.75463	2.78680
French franc	—	N A
Lira	1056.99	1065.58
Yen	253.154	254.047
Norwegian kroner	6.74142	6.79576
Peseta	96.5700	97.3097
Swedish kroner	5.67359	5.71664
Swiss franc	2.25607	2.27265

EURO-CURRENCY INTEREST RATES*

July 14	Sterling	Canadian Dollar	U.S. Dollar	Dutch Guilder	Swiss Franc	W. German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	NA	7¼-8¼	7¾-8	4⅛-4⅝	1⅞-2⅛	3⅜-3½	7⅞-8	9-14	—	—
7 days notice	NA	7¼-8¼	7⅞-8⅛	4⅛-4⅝	1⅞-2⅛	3⅜-3½	8½-8¾	11-12	7⅞-8⅛	2⅞-3
Month	10⅞-11¼	7⅞-8⅛	8⅛-8⅛	4⅛-4⅝	1⅝-1¾	3½-3⅝	9⅛-9⅝	11½-12½	8⅝-8¾	2¾-3⅛
Three months	11⅛-11⅜	8-8⅜	8⅛-8⅛	4⅞-5⅛	1¾-1⅞	3½-3⅝	9½-9¾	12½-13½	9⅛-9⅛	2⅞-3⅛
Six months	11¾-12	8⅛-8⅛	9⅛-9⅛	5⅝-5⅞	2⅛-2⅛	3⅝-3⅞	10⅛-10⅛	13½-14½	9⅛-9⅛	3⅛-3⅜
One year	12⅛-12⅝	8⅞-9⅛	9⅛-9⅜	6⅛-6⅞	2⅛-2⅛	3⅞-3⅞	11-11⅛	14-15	9⅛-9⅜	3⅛-4⅛

The following nominal rates were quoted for London dollar certificates of deposit: One month 8.15-8.25 per cent; three months 8.40-8.50 per cent; six months 8.85-8.95 per cent; one year 9.05-9.15 per cent.

Long-term Eurodollar deposits: two years 9½-9¾ per cent; three years 9½-9¾ per cent; four year 9⁹⁄₁₆-9¹¹⁄₁₆ per cent; five years 9½-9¾ per cent. * Rates are nominal closing rates.

Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-days' notice for guilders and Swiss francs. Asian rates are closing rates in Singapore.

U.K. CONVERTIBLE STOCKS 14/7/78

Statistics provided by *data STREAM International*

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◊ Current
Alcan Aluminium 9pc Cv. 89-94	9.05	143.00	100.0	76-80	6.3	4.1						
Associated Paper 9½pc Cv. 85-90	1.40	110.00	200.0	76-79	8.6	7.6	− 7.6	−10 to 2	5.1	4.5	− 0.5	+ 7.1
Bank of Ireland 10pc Cv. 91-96	8.22	179.00	47.6	77-79	5.7	2.8	− 2.4	− 8 to 1	10.9	9.5	− 0.8	+ 1.6
British Land 12pc Cv. 2002	7.71	133.00	333.3	80-97	9.2	8.9	22.8	17 to 30	0.0	93.1	85.9	+63.2
English Property 6½pc Cv. 98-03	8.84	92.00	234.0	76-79	7.2	7.3	− 8.6	−11 to 4	8.3	3.1	− 5.2	+ 3.4
English Property 12pc Cv. 00-05	15.31	88.00	150.0	76-84	14.0	14.1	36.4	24 to 102	30.6	48.8	28.2	− 8.2
Hanson Trust 6½pc Cv. 88-93	4.51	81.00	57.1	76-80	8.2	9.1	10.7	1 to 12	8.3	9.0	1.0	− 9.7
Hewden-Stuart 7pc Cv. 1995	0.07	240.00	470.4	75-79	2.9		−23.9	−24 to −7	9.2	3.3	− 1.9	+22.0
Pentos 15pc Cv. 1985	1.06	139.00	166.7	76-82	10.8	8.0	− 4.1	− 7 to 36	42.8	42.3	− 0.3	+ 3.8
Slough Estates 10pc Cv. 87-90	5.50	166.00	125.0	78-87	6.0	1.9	11.6	7 to 16	36.7	53.3	11.1	− 0.5
Tozer, Kemsley 8pc Cv. 1981	7.33	95.00	153.9	74-79	8.6	10.4	10.3	5 to 26	7.3	7.5	0.3	− 9.9
Wilkinson Match 10pc Cv. 83-98	11.10	80.00	40.0	76-83	11.2	11.3	32.4	29 to 40	32.3	37.3	7.3	−25.1

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

STOCK EXCHANGE REPORT

Gilts and equity leaders rise after trade figures

30-share index closes week 18.8 up at 474.4—Long funds gain ½

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Jun. 26	July 6	July 7	July 18
July 10	July 20	July 21	Aug. 1
July 24	Aug. 3	Aug. 4	Aug. 15

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

June's small trade surplus restored heart in stock markets yesterday. Before the 3.30 p.m. *announcement, equity leaders had* drifted a shade easier as nerves began to tighten ahead of the news, while business in Gilt-edged securities had almost come to a standstill.

Having spent much of the week worrying about the outcome to last month's trade, the latter market moved higher fairly quickly when demand for the longer maturities appeared to meet with a stock shortage and high-coupon issues settled ½ up at the day's best. The shorts failed to register the same enthusiasm and were only marginally better.

Slightly less optimism about the approaching end of dividend control had cast early reservations in equity investors who were apparently unimpressed by the latest fall in the rate of inflation.

Charting the course of the day's events, the F.T. Industrial *Ordinary share index* recorded a fall of 1.6 at both of the early afternoon calculations before closing a net 0.8 higher at 474.4 for a gain on the week of 18.8. Awaiting next Friday's start of the interim dividend season, the four main clearing banks all progressed further.

Minor losses in British Funds were regained prior to the announcement of the June trade returns and after the official close of business the longs moved up ½ in thin conditions. Shorter maturities traded more freely and were not affected to the same degree.

After Thursday's shake-out, conditions became steadier in the investment currency market and the premium recovered an early fall to end a net ¼ higher at 104 per cent, after having been down to 102½ per cent. Yesterday's SE conversion factor was 0.6763 (0.6749).

In line with the decreased activity in the equity market business in Traded Options fell away quite sharply. After the previous day's of 970 contracts, only 254 had been dealt in by midday yesterday and a further 141 were added afterwards to make a total of 395. The week's daily average total of 700 was the highest since the mid-May.

Banks up again

Support was again forthcoming for the major clearing banks ahead of the interim dividend season and Lloyds, the first to report next Friday, closed a further 6 up at 280p, taking its advance on the week to 25. **Barclays** and **Midland** both finished similarly better at 326p and 360p respectively, while **NatWest** ended 4 up at 280p. **Hambros** softened 5 to 171p awaiting the outcome of the loan talks with the Norwegian Guarantee Institute.

Insurances closed with a majority of small losses although **Brentnall Beard** at 28p, recorded *an above-average decline of 4 on* further consideration of a recent Press revelation that Lloyd's of London is to mount an inquiry into the company's involvement in events which led to a dispute between the Sasse syndicate and a Brazilian reinsurance group.

Inclined easier for most of the day, Brewery leaders picked up to close a shade better on balance. Elsewhere, **Distillers** eased to 184p *following Press coment on the preliminary figures*, but rallied to close only a penny lower on the day at 187p.

Buildings passed a quietly firm session. Further consideration of the capital proposals lifted **James Latham** 7 to 137p, while occasional interest prompted **Milbury** 5 higher to 95p. **Westbrick Products** improved 1½ to a 1978 peak of 48½p on recovery hopes and **Heywood Williams** firmed 2 to 130p after consideration of the annual results. Ahead of Tuesday's preliminary figures, **Magnet and Southerns** eased 3 to 187p. Still reflecting the trading loss and fading bid hopes, **British Dredging** gave up 2 to 28p for a loss of 13 on the week.

ICI continued their steady progress and closed 4 higher at 385p, for a gain on the week of 23p. **Fisons** came on offer in late dealings *and shed 5 to 365p*. Following the company's profit forecast, **Farm Feed** hardened 2 to 50p.

Wallis jump

Wallis were outstanding in Stores, jumping 37 to 143p, after 145p, in response to the excellent results and proposed 300 per cent scrip-issue. **S and U** edged forward a shade to 14p ahead of Monday's results, while **Selincourt** put on 1¼ to 26¼p and **James Walker** added 4 at 86p. The leaders turned easier after recent firmness and losses of 4 and 3 respectively were seen in **Mothercare**, 172p, and **House of Fraser**, 139p; sentiment in the latter was not adversely affected by news that Sir Hugh Fraser and three associates have been found guilty of breaching the Companies Act. **Marks and Spencer** touched 155p *but rallied late to close unaltered* at 157p.

Electrical leaders ended rarely altered after fluctuating within narrow trading limits. Secondary issues to make a little progress included **AB Electronic**, up 2 more at 120p, and **Kode**, which put on another 3 to 131p. On the other hand, **Suter** eased a shade to 18p following the annual results.

The Engineering leaders ended the week on a firm note. **Tubes**, which report interim figures on August 16, closed 7 to the good at 370p, while **GKN** hardened 3 to 264p, and **John Brown** 2 to 402p. Elsewhere, still on the retiring chairman's optimism at the annual meeting, **WGI** rose 5 more to 108p, after 110p, and **Howden** gained 5½ to 70½p *following* comment on the record earnings; the price in yesterday's issue was incorrect. **Bristol Channel** improved 1¼ to 6p following the upsurge in annual profits and **Blackwood Hodge**, at 60p, retrieved half of the previous day's fall of 4 after further consideration of the proposed £5.8m rights issue.

Foods passed a rather drab session. **Robertson**, a firm market *of late*, ran back 5 to 125p, while **Sainsbury** eased 3 to 200p and **Northern** closed 2 lower at 75p. Still reflecting the fall in the annual profits, **Watson Philip** gave up 2 more to 53p. Against the trend, **Nichols (Vimto)** came to *life with a rise of 9 at 182p* following demand in a restricted market.

Ladbroke remained an unsettled market following the recent report on gambling by the Royal Commission and eased 3 further to 166p for a loss of 12 on the week.

Gestetner fall

A late improvement in response to the June trade returns enabled the miscellaneous Industrial leaders to reverse earlier small losses and close at the day's best. **Beecham** finished 7 higher at 667p and **Glaxo** closed a couple of pence harder at 572p, after 568p. **Rank**, however, eased 3 to 244p, after 240p, awaiting Monday's preliminary results. Elsewhere, **Gestetner "A"** became a notable casualty, falling 25 to 176p in reaction to the interim profits setback and accompanying gloomy statement about second-half prospects. **Elliott Group of Peterborough** fell 4 to a 1978 low of 16 following the annual loss and reduced dividend and **Harris Lebus** relinquished 4 to 38p, also on disappointing results. Still reflecting confirmation that its Fortescue Bass Straight oil well had been abandoned and plugged, **Broken Hill Proprietary** cheapened 5 more to 670p. **J. H. Fenner**, on the other hand, rose 18 to 146p, following news of Hawker's acquisition of a 19 per cent stake in the company, while news that a 6 per cent shareholding has changed hands prompted a fresh improvement of 4 to 151p, after 152p, in **Royal Worcester**. **IC Gas** added 10 to 395p on revived North Sea-oil enthusiasm.

Dunlop became a quieter market and eased back 3 to 80p mainly on the absence of any further sup*port from the Far East*. Elsewhere in the Motor sections, interest was still being shown in Garages and Distributors. **Hartwells** firmed 3 to 99p following the chairman's encouraging statement at the annual meeting. Similar gains were marked against **Adams and Gibbons**, 72p, and **Appleyard**, 99p, while **Charles Hurst** hardened a penny to 80p.

Renewed North Sea speculation lifted **Daily Mail A** 13 to 328p and **Associated Newspapers** 4 to 172p. In Paper/Printings, **Gordon and Gotch** added 8 to 75p awaiting next week's results and **McCorquodale** firmed 11 to 263p on a Press mention.

Despite better prospects and the reduced pre-tax loss, **Town and City Properties** finished fractionally lower at 12p. In a thin market, **Property Security Investment** firmed 5 to 153p, while late interest lifted **United Real** 5 to 255p.

B.P. dip and rally

In the continued absence of confirmation of the reported Shetland oil find and following an adverse broker's circular, **British Petroleum** fell to 860p before *closing a net 10 down at 866p*. **Shell** attracted little attention, and after initial sympathetic dullness, recovered to the overnight level of 570p. **Ultramar**, also with interests in the Shetland area, improved 3 to the day's best of 270p, while revived North Sea enthusiasm prompted **Lasmo 'Ops'** 20 higher to 340p. **National Carbonising**, which has an 11 per cent stake in the latter, rose 6 to 43p. **Siebens (UK)** touched 360p before settling at 6 lower on balance at 374p.

The majority of movements in Investment Trusts were restricted to a few pence either way. **Bridgewater Investment**, 1985-95, loan, however, was quoted 28 higher at £98 bid following the company's decision to redeem the stock *on* August 7, 1978. Among Financials, **Yule Catto** eased 3 to 75p on the lower interim profits.

Shippings recorded small irregular changes after a quiet business.

Against the easier trend in Overseas Traders, **Steel Brothers** improved 5 to a fresh peak for the year to 228p.

Although trade was at a low level, scattered *buying* interest was again evident in **Textiles**. **Tern Consulate** firmed 4 to 60p and **Scott Robertson** closed 3½ dearer at 50p, while **Bulmer and Lumb** edged up 2 to 57p. In common with the other leaders, **Courtaulds** ended a shade dearer at 122p. By way of contrast, poor annual results prompted a reaction of 5 to 27p in **Trafford Carpets**.

Among Tobaccos, preliminary results at the higher end of expectations left **Rothmans** 1½ to the good at 57½p. Still reflecting the satisfactory half-yearly statement, **Imps** closed a penny firmer at 81p.

Fading bid hopes prompted fresh selling of **Guthrie** which closed down 8 at the lowest of the day at 350p. Other Rubbers shares also tended easier, **Kuala Kepong** reacting 5 to 76p.

Golds firmer

Persistent Cape support enabled South African Golds to end the week on a firm note despite the 50 cents decline in the bullion price to $185.875 per ounce—a week's improvement of $1.75.

Interest from other centres, however, remained minimal and one or two selling orders from the U.S. in the late trade saw share prices ease a fraction at the close.

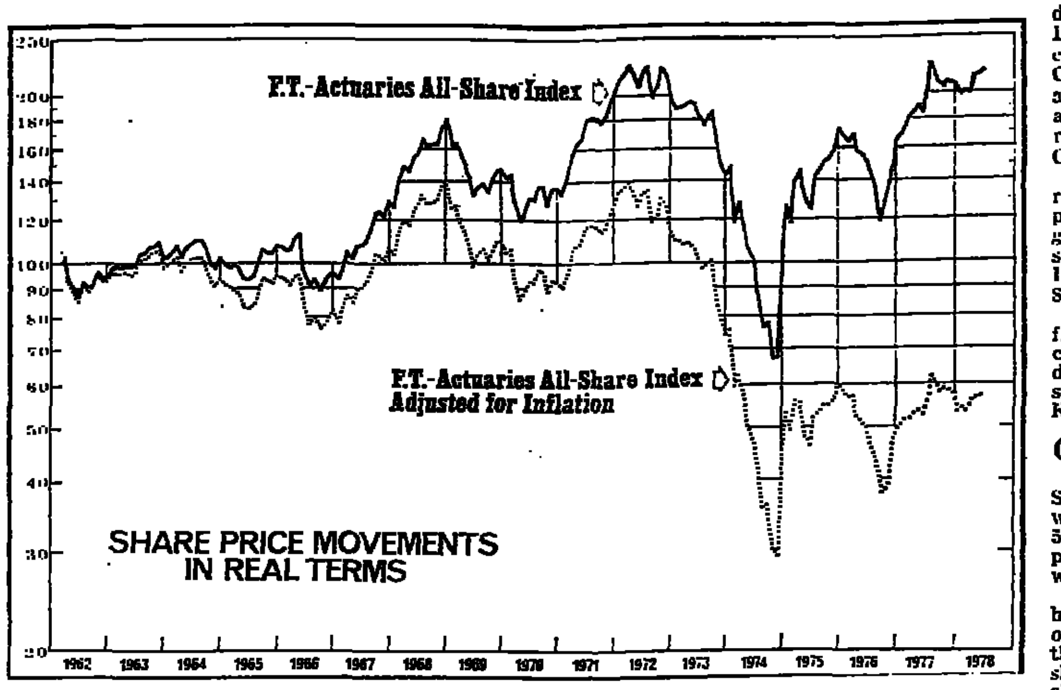
Among the heavyweights **Hartebeest** were particularly firm and finally ⅝ higher at £13. In the cheaper-priced issues, improvements of around 5 were common to **Libanon**, 502p, **Southvaal**, 490p, and **Kloof**, 549p; the last-named showed a rise on the week of 31 following the sharply increased *June quarter working profits*.

It was a disappointing day for Australians, which continued to drift despite a further improvement in overnight Sydney and Melbourne markets.

Pancontinental eased ½ to £13½ but were still a half-point better on the week following reports that France is seeking supply contracts worth A$70m per year from 1985 onwards.

Base-metal producers generally closed a fraction easier despite the continuing firmness of metal prices.

Continuing labour troubles in Queensland prompted a further fall of 10 to 375p in **Utah Mining Australia**.



FINANCIAL TIMES STOCK INDICES

	July 14	July 13	July 12	July 11	July 10	July 7	A year ago
Government Secs.	70.26	70.02	69.98	70.11	70.26	69.71	67.55
Fixed Interest	71.68	71.79	71.77	71.82	71.59	71.27	68.31
Industrial Ordinary	474.4	473.6	473.3	467.3	465.5	455.6	483.7
Gold Mines	160.6	159.0	160.1	159.5	158.2	157.2	116.2
Ord. Div. Yield	5.60	5.60	5.58	5.66	5.69	5.82	5.32
Earnings Y'ld%(full)*	17.01	17.00	16.95	17.16	17.27	17.64	15.88
P/E Ratio (net)*†	7.85	7.84	7.85	7.75	7.70	7.54	9.11
Dealings marked	4,172	4,061	4,370	4,672	4,854	4,248	4,668
Equity turnover £m	—	81.71	81.22	87.41	80.19	71.27	84.49
Equity bargains total	—	17,345	18,287	19,386	19,544	15,352	14,972

10 am 473.4. 11 am 472.9. Noon 472.4. 1 pm 472.0.
2 pm 472.0. 3 pm 472.4.
Latest Index 01-246 8026.
* Based on 52 per cent corporation tax. † Nil = 7.48.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (5/1)	68.79 (5/6)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	70.73 (6/6)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	497.5 (5/1)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	168.6 (8/5)	130.3 (5/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	July 14	July 13
— Daily		
Gilt-Edged	142.8	123.8
Industries	145.0	143.5
Speculative	27.8	34.2
Totals	95.0	92.4
5-day Av'rage		
Gilt-Edged	151.9	152.4
Industrials	151.4	151.0
Speculative	32.2	32.6
Totals	100.2	100.5

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
July 4	July 17	Sep. 28	Oct. 10
July 18	July 31	Oct. 12	Oct. 24
Aug. 1	Aug. 14	Oct. 26	Nov. 7

For rate indications see end of Share Information Service

Money was given for the call of **Burmah Oil, Dunlop, UDT, Consolidated Plantations Warrants, J. E. Sanger, Lonrho, Ladbroke Warrants** and **United Carriers**. No puts were recorded, but double options were arranged in **Burmah Oil, Dunlop** and **UDT**.

NEW HIGHS AND LOWS FOR 1978

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (83)

BANKS (2)
Allied Irish — Bank of Ireland
BEERS (1)
Invergordon
BUILDINGS (4)
Cement-Roadstone — Latham (J.)
Downing (G. H.) — Westbrick Prods.
CHEMICALS (2)
Blagden & Noakes — Farm Feed
STORES (11)
Aquascutum A — MFI Furniture
Fine Art Devs. — NSS Newsagents
Foster Bros. — Peters Stores
Goldberg (A.) — Wades A
Ladies Pride — Wallis
Lee Cooper
ELECTRICALS (3)
Electrocomponents — Unitech
Telephone Rentals
ENGINEERING (9)
A.P.V. — Priest (B.)
Davies Metcalfe A — 600 Group
Hill & Smith — WGI
Howden Group — Warne Wright
Norton (W. E.)
FOODS (5)
Carr's Milling — Morrison (Wm.)
Clifford Dairies — Somportex
A N-V — Unigate
Morrison (Wm.)
INDUSTRIALS (20)
Assoc. Leisure — Huntleigh
BTR — Imp. Cont. Gas
Black Arrow — Lindsay & Williams
Central & Sheerwood — Macpherson (D.)
Christies Intl. — Marling Ind.
Cope Allman — Reed Executive
Diploma Invs. — Royal Worcester
Ferguson Ind. — Scottish Heritable
Gibbons Dudley — Spear (J. W.)
Hallam Sleigh — Utd. Carriers
MOTORS (2)
Dowty — Appleyard
NEWSPAPERS (1)
Websters Publications
PROPERTY (1)
Bradford Prop.
SHOES (1)
Ward White
TEXTILES (5)
Beckman (A.) — Scott & Robertson
Bulmer & Lumb — Tern-Consulate
Monfort
TRUSTS (11)
Dundee & London — London & Gartmore
Edinburgh Inv. Dfd. — London & Montrose
First Scot. American — Northern American
Glasgow Stockhldrs. — Sec. Gt. Northern
Law Debenture — Utd. Brit. Secs.
London Atlantic
OVERSEAS TRADERS (1)
Steel Bros.
RUBBERS (1)
Bertam Cons.
TEAS (1)
Williamson
MINES (2)
Kloof Gold — Stilfontein

NEW LOWS (8)

AMERICANS (1)
Colt Inds.
ENGINEERING (1)
Bamfords
FOODS (2)
Tavener Rutledge — Watson & Philip
INDUSTRIALS (2)
Elliott (Peterborough) — Lebus (Harris)
INSURANCE (1)
Brentnall Beard
SOUTH AFRICANS (1)
Hulett's Corp.

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	66	—	11	166	125	94
Corpns. Dominion and Foreign Bonds	5	5	54	57	9	255
Industrials	302	240	997	2,114	992	4,589
Financial and Property	75	104	338	924	302	1,362
Oils	9	11	14	60	27	83
Plantations	4	9	19	33	34	93
Mines	37	28	61	241	167	222
Recent Issues	10	5	22	44	34	112
Totals	508	402	1,516	3,639	1,690	6,810

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
ICI	£1	12	385	+ 4	396	328
BATs Defd.	25p	11	265	—	296	227
Dunlop	50p	11	80	− 3	90	71
Shell Transport	25p	11	570	—	586	484
BP	£1	10	866	−10	896	720
Marks & Spencer	25p	9	157	—	160	135
Barclays Bank	£1	7	326	+ 6	358	296
Bristol Channel	10p	6	6	+ 1¼	9½	4¾
British Leyland	50p	6	20	—	30	20
Grand Met.	50p	6	108½	+ 1	117½	87
Ladbroke	10p	6	166	− 3	215	162
Lloyds Bank	£1	6	280	+ 6	297	242
P & O. Defd.	£1	6	84	—	118	83½
Vickers	£1	6	170	+ 2	199	160
Boots	25p	5	206	− 1	231	184

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1978 high	1978 low
ICI	£1	88	385	+23	396	328
Shell Transport	25p	63	570	+16	586	484
BATs Defd.	25p	49	265	+10	296	227
Dunlop	50p	48	80	+ 6	90	71
Ladbroke	10p	42	166	−12	215	162
Guthrie	£1	41	350	−12	375	211
BP	£1	40	866	+34	896	720
Coral Leisure	10p	39	96	− 6	144	95
Grand Met.	50p	38	108½	+ 5	117½	87
Distillers	50p	37	187	+ 9	190	163
Marks & Spencer	25p	36	157	+14	160	135
P. & O. Defd.	£1	36	84	− 1	118	83½
Barclays Bank	£1	35	326	+18	358	296
NatWest	£1	35	280	+25	298	250
Thorn Elect.	25p	35	332	+14	392	308

BASE LENDING RATES

A.B.N. Bank	10 %	■ Hambros Bank	10 %
Allied Irish Banks Ltd.	10 %	■ Hill Samuel	§10 %
American Express Bk.	10 %	C. Hoare & Co.	†10 %
Amro Bank	10 %	Julian S. Hodge	11 %
A P Bank Ltd.	10 %	Hongkong & Shanghai	10 %
Henry Ansbacher	10 %	Industrial Bk. of Scot.	10 %
Banco de Bilbao	10 %	Keyser Ullmann	10 %
Bank of Credit & Cmce.	10 %	Knowsley & Co. Ltd.	12 %
Bank of Cyprus	10 %	Lloyds Bank	10 %
Bank of N.S.W.	10 %	London Mercantile	10 %
Banque Belge Ltd.	*10 %*	*Edward Manson & Co.*	*11½ %*
Banque du Rhone	10½ %	Midland Bank	10 %
Barclays Bank	10 %	■ Samuel Montagu	10 %
Barnett Christie Ltd.	11 %	■ Morgan Grenfell	10 %
Bremar Holdings Ltd.	11 %	National Westminster	10 %
Brit. Bank of Mid. East	10 %	Norwich General Trust	10 %
■ Brown Shipley	10 %	P. S. Refson & Co.	10 %
Canada Perm't. Trust	10 %	Rossminster Ltd.	10 %
Capital C & C Fin. Ltd.	10 %	Royal Bk. Canada Trust	10 %
Cayzer Ltd.	10 %	Schlesinger Limited	10 %
Cedar Holdings	10 %	E. S. Schwab	11½ %
■ Charterhouse Japhet	10 %	Security Trust Co. Ltd.	11 %
Choulartons	10 %	Shenley Trust	11 %
C. E. Coates	11 %	Standard Chartered	10 %
Consolidated Credits	10 %	Trade Dev. Bank	10 %
Co-operative Bank	*10 %	Trustee Savings Bank	10 %
Corinthian Securities	10 %	Twentieth Century Bk.	11 %
Credit Lyonnais	10 %	United Bank of Kuwait	10 %
The Cyprus Popular Bk.	10 %	Whiteaway Laidlaw	10½ %
Duncan Lawrie	10 %	Williams & Glyn's	10 %
Eagil Trust	10 %	Yorkshire Bank	10 %
English Transcont.	11 %		
First Nat. Fin. Corpn.	12 %		
First Nat. Secs. Ltd.	11 %		
■ Antony Gibbs	10 %		
Greyhound Guaranty	10 %		
Grindlays Bank	‡10 %		
■ Guinness Mahon	10 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 7%, 1-month deposits 7½%.
† 7-day deposits on sums of £10,000 and under 7%, up to £25,000 7½%, and over £25,000 8%.
‡ Call deposits over £1,000 7%.
§ Demand deposits 7%.

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	October Closing offer	October Vol.	January Closing offer	January Vol.	Equity close
BP	750	118	—	135	—	155	—	867p
BP	800	68	—	92	3	117	—	..
BP	850	18	4	56	3	83	1	..
BP	900	2½	—	34	9	60	12	..
Com. Union	140	11	—	17	—	19	—	150p
Com. Union	160	¾	—	7	7	11½	—	..
Cons. Gold	160	18	—	29	—	32	7	178p
Cons. Gold	180	2	12	13	—	18	17	..
Cons. Gold	200	—	—	6	10	8	25	..
Courtaulds	100	23	—	26	—	27	—	122p
Courtaulds	110	13	1	17½	—	19½	—	..
Courtaulds	120	4½	3	10	—	13½	—	..
Courtaulds	130	1¼	—	5½	11	8½	—	..
GEC	220	51	6	56	—	62	—	269p
GEC	240	31	16	39	—	46	—	..
GEC	260	10	33	23½	3	32	—	..
GEC	280	1½	—	13	—	23	1	..
Grand Met.	100	8	5	13½	7	17½	5	107p
Grand Met.	110	1	6	8	2	12½	7	..
Grand Met.	120	½	7	4	—	8	2	..
ICI	330	56	10	63	—	65	3	384p
ICI	360	26	10	34	1	43	5	..
ICI	390	2½	10	15½	5	27	—	..
ICI	420	¼	16	6	—	15	4	..
Land Secs.	180	35	..	39	—	43	—	214p
Land Secs.	200	14½	—	20	—	26	—	..
Land Secs.	220	1½	17	8½	20	13	—	..
Marks & Sp.	120	37	—	40	—	42	5	156p
Marks & Sp.	140	17½	4	22	11	26	—	..
Marks & Sp.	160	1¼	—	9	9	13½	20	..
Shell	500	67	—	84	—	90	—	565p
Shell	550	17	—	42	1	54	1	..
Shell	600	¾	20	16	—	32	—	..
Totals			180		102		115	

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
75	F.P.	30/6	92	85	Bramall (C.D.)	88	+1	†4.5	3.1	7.7	4.7
100	F.P.	[illegible]	169	142	Eurotherm	165	−2	[illegible]	[illegible]	[illegible]	[illegible]
85	F.P.	[illegible]	[illegible]	[illegible]	Hunting Petr. Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
§54	F.P.	[illegible]	[illegible]	[illegible]	Thames Plywood	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS and SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., July 14, 1978 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 34%)	Est. P/E Ratio (Net)	Thurs. July 13 Index No.	Wed. July 12 Index No.	Tues. July 11 Index No.	Mon. July 10 Index No.	Year ago (approx.) Index No.	1978 High	1978 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (172)	216.02	+0.3	17.53	5.64	7.92	215.39	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (27)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (72)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CONSUMER GOODS (DURABLE) (53)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 Lt. Electronics, Radio TV (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 Household Goods (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Motors and Distributors (26)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
CONSUMER GOODS (NON-DURABLE) (174)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Breweries (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23 Wines and Spirits (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24 Entertainment, Catering (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (21)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (39)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37 Toys and Games (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (97)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43 Pharmaceutical Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (55)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (495)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (100)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64 Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (31)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Miscellaneous (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (50)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (673)	217.48	+0.1	—	5.54	—	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

British Government	Fri. July 14	Day's change %	xd adj. To-day	xd adj. 1978 to date
1 Under 5 years	104.79	+0.13	—	[illegible]
2 5-15 years	114.42	+0.18	—	[illegible]
3 Over 15 years	118.96	+0.95	—	[illegible]
4 Irredeemables	126.02	+0.68	—	[illegible]
5 All stocks	112.09	[illegible]	—	[illegible]

FIXED INTEREST YIELDS
Br. Govt. Av. Gross Red.

			Fri. July 14	Thurs. July 13	Year ago (approx.)	1978 Highs	1978 Lows
1	Low Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Fri. July 14 Index No.	Yield %	Thur. July 13	Wed. July 12	Tues. July 11	Mon. July 10	Fri. July 7	Thur. July 6	Wed. July 5	Year ago (approx.)	1978 Highs	1978 Lows	Since Compilation Highs	Since Compilation Lows
15 20-yr. Red. Deb. & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16 Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17 Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4. [illegible]

CONSTITUENT CHANGE: [illegible]

INSURANCE, PROPERTY, BONDS

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b To-day's prices. c Yield based on offer price. d Estimated. g To-day's opening price. h Distribution free of U.K. taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ϕ. § Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision.

CORAL INDEX: Close 474-479

INSURANCE BASE RATES

† Property Growth .... 10¼ %
† Vanbrugh Guaranteed 9.50%
† Address shown under Insurance and Property Bond Table.

FT SHARE INFORMATION SERVICE

BONDS & RAILS—Cont.

1978 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
88	82½	Ireland 7½pc '81-83	83	-½	7½	12.13
91	79	Do 9¾pc '91-96	82	......	9¾	12.82
395	265	Japan 4pc '10 Ass.	390	......	—	—
87	68½	Do 6pc '83-88	69xd	......	6	11.05
160	140	Peru Ass. 3pc	140	......	3	2.16
75p	75p	S.G.I. 6½pc 1980	75pxd	......	6½	8.67
$99	$94½	Turin 9pc 1991	$94½	......	9	9.52
DM91	DM81	Turin 6½pc 1984	DM91	......	6½	10.70
97	94	Uruguay 3½pc	97	......	3½	3.80

U.S. $ & DM prices exclude inv. $ premium

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

S.E. List Premium 47⅝% (based on US$1.8866 per £)
Conversion factor 0.6783 (0.6749)

CANADIANS

[illegible]

S.E. List Premium 47⅝% (based on $2.1196 per £)

BANKS AND HIRE PURCHASE

[illegible]

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

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[illegible]

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[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICAL AND RADIO

[illegible]

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[illegible]

ENGINEERING—Continued

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[illegible]

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O.F.S.

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[illegible]

MINES—Continued

CENTRAL AFRICAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
220	155	Falcon Rh.50c	175	......	Q50c	1.3	24.4
24	15	Rhod'n Corp. 16⅔p	16	......	0.56	7.1	5.3
80	52	Roan Cons. K4	67	—1	—	—	—
175	122	Tanganyika 50p	154	......	Q10.0	1.2	6.5
90	78	Do. Pref. 60p	87	......	Q9%	16.3	8.3
41	32	Wankie Col. Rh 1	35	......	†Q7½c	1.4	18.3
16½	10	Zam.Cpr SBD0.24	14½	......	—	—	—

AUSTRALIAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
15	10	Acmex 25c	14	+1	—	—	—
132	64	Bougainville 50Toea	123	—2	Q8c	1.4	4.1
125	63	BH South 50c	110	—1	—	—	—
820	150	Central Pacific	550	—25	—	—	—
246	148	Conzinc Riotinto 50c	234	—3	Q10c	2.2	2.7
72	45	G.M. Kalgoorlie $1	45	—3	—	—	—
140	81	Hampton Areas 5p	134xd	......	t3.5	2.0	4.0
40	10	Metals Ex. 50c	29	+1	—	—	—
220	125	M.I.M. Hldgs. 50c	205	......	Q9c	1.7	2.7
39	10	Mount Lyell 25c	27	......	—	—	—
6½	1½	Newmetal 10c	4½	—¼	—	—	—
143	79	North B. Hill 50c	121	—1	Q8c	1.5	4.1
16	8½	Nth. Kalgurli	13	......	—	—	—
178	117	Oakbridge $A1	166	......	†Q11c	1.9	4.1
50	30	Pacific Copper	45	......	—	—	—
£14¾	750	Pancont'l 25c	£13½	—¼	—	—	—
40	12	Paringa M&Ex.5p	36	......	—	—	—
538	310	Peko-Wallsend 50c	516	......	Q15c	4.0	1.8
300	50	Southern Pacific	210	......	—	—	—
160	84	Westn. Mining 50c	144	—2	‡Q6c	1.4	‡
70	35	Whim Creek 20c	52	—3	—	—	—

TINS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
30	24	Amal. Nigeria	25	......	†2.51	1.6	15.2
400	240	Ayer Hitam $M1	385	......	‡Q46.7c	0.9	‡
60	45	Berali Tin	53	......	3.75	4.4	11.2
300	200	Berjuntai $M1	295	......	‡Q110c	ϕ	‡
145	111	Geevor	132	......	h4.51	3.4	5.2
10	8½	Gold & Base 12½p	9½	......	—	—	—
300	220	Gopeng Cons.	295	......	15.0	0.9	7.8
165	130	Hongkong	160	......	—	—	—
93	78	Idris 10p	85	......	12.0	1.6	22.6
11	10	Jantar 12½p	10	......	—	—	—
77	68	Kamunting $M0.50	77	......	2Q15.5c	0.7	4.3
510	450	Killinghall	470xd	......	Q125	ϕ	26.7
415	280	Malay Dredging $M1	410	......	†Q95c	0.8	5.0
73	40	♦Pahang	73	......	‡Q3.75c	0.5	‡
62	50	Pengkalen 10p	61	......	6.5	1.3	16.1
230	165	Petaling $M1	230	......	†Q80c	1.6	9.0
61	49	Saint Piran	49	......	g1.99	4.6	6.2
61	47	South Crofty 10p	53xd	......	4.13	2.0	11.8
220	140	South Kinta $M0.50	210	......	‡Q77.8c	1.4	8.0
330	230	Sthn Malayan $M1	320	......	‡Q131.3c	1.1	8.8
228	134	Sungei Besi $M1	220	......	Q65c	ϕ	6.4
78	55	Supreme Corp. $M1	78	......	2Q10c	—	2.8
100	85	Tanjong 15p	92	......	6.5	0.8	10.7
100	74	Tongkah Hrbr. $M1	92	......	‡Q56.2c	1.6	‡
233	148	Tronoh $M1	230	......	2Q88c	1.6	8.2

COPPER

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
100	70	Messina R0.50	87	+1	‡Q30c	1.9	‡

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
61	35	Barymin	52	+1	—	—	—
17	9	Burma Mines 17½p.	14	......	—	—	—
300	220	Cons. Murch. 10c	245	—5	‡Q30c	2.6	‡
465	245	Northgate C$1	405	—10	—	—	—
234	164	R.T.Z.	222	......	9.5	2.8	6.5
90	30	Sabina Inds. C$1	62	+4	—	—	—
£12	750	Tara Exptn. $1	850	—50	—	—	—
45	43	Tehidy Minerals 10p	43	......	1.33	ϕ	4.7
180	120	Yukon Cons. C$1	164	—2	Q7c	2.9	2.0

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 34 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ⊖ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ▼ Excluding a final dividend declaration.
- ÷ Regional price.
- ∥ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ¼ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 22

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	24	......
Ash Spinning	44	......
Bertam	21	......
Bdg'wtr Est 50p	267	......
Clover Croft	26	......
Craig & Rose £1	480	+5
Dyson (R. A.) A.	38	+1
Ellis & McHdy	61	......
Evered	17½	......
Fife Forge	50	......
Finlay Pkg 5p	25½	......
Graig Ship. £1	140	......
Higsons Brew	73	......
I.O.M. Stm. £1	150	......
Holt (Jos.) 25p	260	......
N'thn Goldsmith	56	......
Pearce (C. H.)	130	......
Peel Mills	20	......
Sheffield Brick	45	......
Sheff. Refrshmt.	52	......
Sindall (Wm.)	103	......

IRISH

Conv. 9% '80/82	£90⅞	......
Alliance Gas	70	......
Arnott	335	+5
Carroll (P.J.)	97	......
Clondalkin	98	......
Concrete Prods.	130	......
Heiton (Hldgs.)	40	......
Ins. Corp.	148	......
Irish Ropes	130	......
Jacob	62	......
Sunbeam	31	—1
T.M.G.	173	......
Unidare	90	......

OPTIONS

3-month Call Rates

Industrials	
A. Brew	6½
A.P. Cement	18
B.S.R.	9
Babcock	11
Barclays Bank	25
Beecham	35
Boots Drug	15
Bowaters	16
B.A.T.	24
British Oxygen	6
Brown (J.)	20
Burton 'A'	12
Cadburys	5
Courtaulds	16
Debenhams	8
Distillers	15
Dunlop	7
Eagle Star	12
E.M.I.	14
Gen. Accident	17
Gen. Electric	18
Glaxo	40
Grand Met.	9
G.U.S. 'A'	26
Guardian	18
G.K.N.	22
Hawker Sidd.	20
House of Fraser	12
I.C.I.	20
"Imps"	6
I.C.L.	26
Inveresk	8
KCA	3
Ladbroke	17
Legal & Gen.	14
Lex Service	7
Lloyds Bank	22
"Lofs"	4
London Brick	5
Lonrho	5
Lucas Inds.	25
Lyons (J.)	10
"Mams"	7
Mrks & Spncr	10
Midland Bank	25
N.E.I.	12
Nat. West Bank	22
Do. Warrants	10
P & O Dfd	8
Plessey	8
R.H.M.	5
Rank Org. 'A'	18
Reed Intnl.	12
Spillers	3
Tesco	4
Thorn	22
Trust Houses	15
Tube Invest.	30
Unilever	35
Utd. Drapery	7½
Vickers	15
Woolworths	5
Property	
Brit. Land	3¼
Cap. Counties	4½
E.P.	5
Intreuropean	4
Land Secs.	16
MEPC	12
Peachey	8
Samuel Props.	9
Town & City	1¼
Oils	
Brit. Petroleum	45
Burmah Oil	5
Charterhall	3
Shell	28
Ultramar	20
Mines	
Charter Cons.	12
Cons. Gold	14
Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Saturday July 15 1978

MEN OF THE WEEK

Verdicts on a system

BY DAVID SATTER

MOSCOW, July 14.

ALTHOUGH THEY have different backgrounds and goals, the jailed Soviet dissidents Mr. Anatoly Shcharansky and Mr. Alexander Ginzburg have a common personality trait which inspired their action and determined their fates. This was a determination—rare in Soviet society — to live according to their own personal and political standards.

Neither Mr. Shcharansky, aged 30, with his determination to preserve Jewish culture in Russia, nor Mr. Ginzburg, 41, a veteran of labour camp life had any illusions that their human rights activities would give them a trouble free future.

But each man at one point decided — Mr. Shcharansky relatively recently and Mr.

Shcharansky: personal ideals.

Ginzburg long ago—to campaign for a freer society.

In the case of Mr. Shcharansky, the decision came in 1973, when he was banned from emigrating to Israel where he was to join his wife, Avital, who had emigrated a few days before. He became active in the Jewish movement, joining a small group of activists in Moscow who had been refused exit visas. He dedicated himself to keeping in contact with fellow "Refusents" in the country, as well as encouraging an unhindered Jewish cultural life.

For Mr. Ginzburg, the moment came much earlier when Mr. Shcharansky was still in school. It was then that he began publishing an underground poetry journal which was one of the earliest examples of "Samizdat," the unofficial type-written works which are now a standard feature of the Soviet dissident community. Mr. Ginzburg's cultural interests came to the attention of the KGB. He was finally convicted for a different offence, illegally sitting an examination on a friend's behalf. He was sentenced to a maximum of two years' imprisonment, which he served in a labour camp in the northern Urals.

Mr. Ginzburg, the veteran, and Mr. Shcharansky, the articulate Jewish activist, began to work together in 1976, following the founding by Dr. Yuri Orlov, of the dissident committee which tried to monitor Soviet observance of the Helsinki Agreement. Mr. Shcharansky brought to the organisation his fluent English, a sixth sense for dealing with the needs of Western newsmen and wide-ranging Jewish contacts.

Between them, the two men interested themselves in a wide range of alleged Soviet abuses of human rights. Mr. Shcharansky, for example, had contact with Soviet Germans, seeking to emigrate and was concerned with the question of psychiatric treatment of dissidents. The apartment of Mr. Ginzburg's wife, Arina, in Moscow became a kind of Mecca for individuals with specific grievances. Mr. Ginzburg, who was the Soviet dissidents' unofficial administrator and chief archivist, also ran a fund, set up with proceeds from the sale of Alexander Solzhenitsin's books, to help the families of Soviet political prisoners. After conviction, however, Mr. Ginzburg was forced to live apart from his wife in Tarusa, 50 miles outside the capital.

When the crackdown on the Helsinki Monitoring group began, Mr. Ginzburg, who wanted democratic reform in the Soviet Union, was the first man to be arrested. He was seized when he left his wife's apartment to make a telephone call at a time when he was recovering from pneumonia. He was in very bad health after years of struggling with authority and his sentence of eight years in a labour camp under "special" regime conditions could prove to be a death sentence.

Mr. Shcharansky said in his closing *statement that his dream* of emigrating to Israel was now farther away than ever. Like most of the would-be Jewish emigrants, he was pessimistic about Soviet society's ability to change. With 11½ years of a 13-year prison sentence ahead of him, he may never be able to go to Israel, the country he had adopted as his true home.

Cobalt and tin prices raised by producers

BY JOHN EDWARDS, COMMODITIES EDITOR

ANOTHER substantial rise in the price of cobalt, a metal of particular importance to the aerospace industry, was announced yesterday.

The Zambian state metals marketing company, Memaco, said it was raising its cobalt price from $8.50 to $12.50 a pound with immediate effect.

Depending on exchange rates, this will mean a rise in the UK price of more than £4,000 to about £14,875 a tonne. There was a previous increase in May, after the invasion of Zaire, when the price was raised from £8,250 to £10,650 a tonne.

Sozacom, the Zaire state metals marketing company, which normally provides the bulk of the world's cobalt supplies, said no decision had yet been made on a price increase.

However, it is all but certain that Zaire will follow the lead set by Zambia. Sozacom has completely sold out present supplies at the old price, which are being allocated on a rationing system at 70 per cent *of normal orders because of a* shortage.

The scarcity of supplies has been aggravated by the recent invasion of the Shaba province in Zaire which badly hit the Kolwezi mines that at full capacity provide 70 per cent of world cobalt supplies as well as being an important source of copper.

Cobalt is a vital ingredient in the super-alloy steels used in the manufacture of jet engines and other creep-resistant metals used by the aerospace industry.

It is also used in the manufacture of permanent magnets, and in the chemical and *paint* industries in the form of powder, salts and oxides.

Meanwhile, a rise in the International Tin Agreement "floor" and "ceiling" price ranges was announced yesterday after talks this week *between producing and* consuming countries.

The "floor" price is being raised by 150 Malaysian ringitts to 1,350 ringitts a picul (133.3 lb) and the "ceiling" price by 200 ringitts to 1,700 ringitts a picul.

This does not immediately affect the world market price, which fell yesterday on the London Metal Exchange. But it raises the whole tin pricing structure by increasing the minimum levels of prices which are safeguarded by the International Tin Agreement between producing and consuming countries—the oldest *commodity* pact.

Ministry blamed for lost £6m deal

By Kevin Done, Chemicals Correspondent

A BLUNDER by the Foreign Office is said by a UK process plant contractor to have lost it the chance of winning a £6.5m construction contract in Egypt for which it was the lowest bidder.

Sim-Chem, the Stockport-based contractor, delivered its bid document to the Foreign Office for dispatch to Cairo via the diplomatic bag—a practice used occasionally *by companies for the* rapid delivery of vital documents.

Sim-Chem said yesterday that the bid was left out of the diplomatic bag because it was full but the Foreign Office failed to tell the company at once of the delay. By the time it learned of the hold-up, it was too late to fly the *bid to* Cairo to meet the deadline.

The Foreign Office would not comment on the allegation yesterday. However, if it is proved, it could have serious repercussions because the carrying of any documents via the diplomatic bag other than those for diplomatic use is in breach of the Vienna convention on diplomatic relations, signed in 1961.

The convention states in article 24 that the diplomatic bag "may contain only diplomatic documents or articles intended for official use."

The British Embassy in Cairo apparently tried to rectify the Foreign Office error through diplomatic channels. But rival bidders insisted on the normal practice of late bids being disqualified from consideration.

The contract, for the construction of two 100,000-tonnes-a-year sulphuric acid plants, has been awarded to Davy Powergas, the West German subsidiary of Davy International.

The successful Davy bid was valued at DM 25m (£6.5m) for completion of the plants by late 1980.

● As some consolation Sim-Chem has signed a £5m contract to build a 100,000-tonnes-a-year sulphuric acid plant for Saudi Arabia. Sim-Chem has won the main contract for the plan to be built at Damman. It will engage a Korean company as the main sub-contractor for erection and procurement of local materials.

THE LEX COLUMN

Continental blend for Rothmans

The news that the balance of payments had swung back into surplus in June, and the year on year inflation figure of 7.4 per cent was the lowest for over five years, was enough to lift a flagging stock market late yesterday afternoon, with the result that equities have had their best week since early May.

Index rose 0.8 to 474.4

Rothmans

After Thursday's dull figures *from Imps, the giant of the Bri*tish tobacco market, Rothmans International provided some sparkle yesterday reporting full-year pre-tax profits £14m higher at £80.6m. Following a 30 per cent improvement in the first half the group has recorded *an increase in profits of 14 per* cent for the second six months, on top of an exceptional corresponding period.

The key to the performance appears to be a big volume gain, backed up by price increases in some markets. Outstanding improvements are said to have come from Germany (where Rothmans has arrested the decline in its market share at around 18 per cent), Holland and UK exports. In the UK market itself, Rothmans appears to be battling strongly through the current price war and talks of having doubled its market share (to 14 per cent) in the past two years.

Attention still focuses on the proposed acquisition of the controlling interest in Rothmans of Pall Mall Canada (RPMC), a business, like Rothmans International, which is controlled by Dr. Anton Rupert. Negotiations are apparently still uncompleted but the hope is that details of the bid can be released in early August in time to have the deal sanctioned by shareholders on the same day as the annual meeting, scheduled for September 19.

While the RPMC deal may have a lot to do with Dr. Rupert's own vision of a changing world, it also suggests that Rothmans International may *have abandoned its stated aim to diversify away from tobacco.* But these uncertainties are well reflected in the share price of 56p, where the fully taxed p/e is only 4.2.

Gestetner

Only a month before the end of its first half Gestetner was saying that "trading continues to be satisfactory," so the stock market was not prepared for a 10 per cent fall in pre-tax profits to £13.6m and the "A" shares slumped 25p to 176p.

The performance is all the more disappointing in that last year the group was able to push its profits £2¼m higher, despite the absence of any growth in turnover and a strong appreciation in sterling which deflated profits by another £3.9m. This time round, turnover rose by 6 per cent and sterling fell by 3 per cent, on a trade-weighted basis, between May and November — but Gestetner's profit growth went into reverse. The only consolation is that on a current cost basis trading profits increased by 1 per cent, *because the reduction in infla*tion led to a one-third fall in the cost of sales adjustment.

Gestetner, which is the world's largest manufacturer of stencil duplicating equipment and supplies, has often been complimented on its *forward-looking accountancy policies* but it is more reticent about discussing its basic business. For what it is worth, the official explanation seems to be that last year's appreciation in sterling is only now depressing profits. The company is not *expecting much improvement* in the second half, which means that full year profits could be in the region of £27m, down £1m or so, but next year should be better.

However, against the present background of sluggish world *trade and fierce competition in* certain markets (like static copiers) investor[illegible] further reassurance th[illegible] setback is only a hiccup. [illegible] current price the share [illegible] 3.6 per cent which coul[illegible] ibly rise to just over 6 p[illegible] if dividend restraint [illegible] abolished.

Hambros

Anyone reading the H[illegible] accounts could be forgi[illegible] *thinking that its Nor*[illegible] shiping loans represent [illegible] than a little local difficult[illegible] closed profits of the b[illegible] companies have, it is true [illegible] by more than half to £1.4[illegible] shareholders' funds are [illegible] than a tenth higher at [illegible] the net assets of the b[illegible] side appear to have bee[illegible] maintained and the divide[illegible] gone up by the statutory [illegible]

Just about the only ch[illegible] something has gone badly [illegible] is a £66m fall to £469m [illegible] group's outstanding loan[illegible] partly reflects currency [illegible] and a contraction in the [illegible] shipping loan book. [illegible] material part of the drop [illegible] result of writing down [illegible] which are subject to gua[illegible] by the Norwegian Gu[illegible] Institute.

What makes this [illegible] presentation possible i[illegible] freedom given to bankin[illegible] panies to make undi[illegible] transfers to—and withd[illegible] from—unconsolidated re[illegible] These can be used for al[illegible] of things, including [illegible] Hambros earlier in the [illegible] *£2m transfer to the sta*[illegible] sion fund. In additio[illegible] group has been cushione[illegible] assumption that the taxm[illegible] bear his share of the s[illegible] burden and by some ha[illegible] dealing profits. Its dealin[illegible] folio included £23m of [illegible] *the start of the year—an*[illegible] at the end.

A more detailed state[illegible] the Norwegian position [illegible] forthcoming when negot[illegible] are concluded, possibly i[illegible] or four weeks' time. Bu[illegible] this is unlikely to inclu[illegible] *thing so vulgar as numb*[illegible]

Labour gains encouragement from by-election victories

BY PHILIP RAWSTORNE

MINISTERS yesterday greeted the by-election results in Manchester, Moss Side and Penistone, as encouraging signs that Labour's electoral recovery is still gaining ground.

Mr. James Callaghan is considered to have a good chance of entering a General Election in October on level terms with the Conservatives.

Another fall in the inflation rate yesterday further boosted Labour morale, and the prospects of victory seemed to be improving.

Although the Tories claimed that the by-elections showed that Labour supporters were still deserting in droves, Ministers *found considerable cause for* satisfaction.

The 3.5 per cent swing to the Tories in Moss Side was the lowest in any by-election this Parliament. In General Election terms, such a swing would give Mrs. Margaret Thatcher a bare majority in the Commons.

Labour loyalists in the Manchester inner city area had been severely tested by the party's local government housing record as well as the general effect of the financial and economic crises of the past few years.

Signs that the immigrant community voted solidly for Labour enhances the party's prospects at a General Election in about 20 city marginal seats.

Mrs. Thatcher responded to this in a speech last night in which she attempted to reassure immigrants about Tory policies. Political opponents had "maliciously distorted" the party's attitude, she declared.

Although the swing to the Conservatives in Penistone was, at 8.8 per cent, apparently less satisfactory from Labour's point of view, Ministers claimed that the slump in their vote was close to the normal pattern of by-elections in safe seats. Labour supporters were less inclined to vote when victory seemed assured.

Labour's optimism was fuelled in Penistone by the Liberal success in holding on to its 1974 share of the vote, in spite of a higher poll by the Tories.

Mass desertion of Liberal voters to the Tories could give them a decisive edge over Labour in a General Election.

Mr. David Steel, the Liberal leader, said yesterday that even the disappointing Liberal vote in Moss Side was better than the party's rating in recent opinion polls.

Conservatives yesterday drew their comfort from the contrast in the outcome of the two contests.

Lord Thorneycroft, party chairman, said he had not expected the Tories to win either seat.

By-election results Page 20

Bonn denounces Moscow trial

BY ADRIAN DICKS

BONN, July 14.

IN APPARENTLY a significant change in West German policy towards Moscow, Chancellor Helmut Schmidt today said he was in "full agreement" with President Jimmy Carter in his forthright denunciation of the heavy prison sentences passed on Anatoly Shcharansky and other Soviet dissidents.

Previous statements by Bonn on human rights in Eastern Europe have generally been far more restrained, leading on occasion to sharp differences with Washington.

Today's statement by the Chancellor came after a morning of wide-ranging talks with Mr. Carter during which both leaders were said to have reached far-reaching agreement in the most friendly atmosphere.

The U.S. President, in turn, went out of his way this afternoon to praise Herr Schmidt and to emphasise that as the Bonn summit meeting draws near, "the relationship between the U.S. and the Federal Republic of Germany has never been stronger nor more sound than it is today."

In a statement on Mr. Shcharansky's sentence, Mr. Carter spoke of "the sadness the whole world feels . . . We are all sobered by the reminder that, so late in the 20th century, a person can be sent to jail simply for asserting his basic human rights."

The German Chancellor also referred to the trials of dissidents in East Germany—the first time that he has commented publicly on these in such strong terms—and remarked that many other individuals in Eastern Europe whose cases were unknown suffered from similar "accusations and persecutions and sentences."

Both leaders said they were still determined to avoid pre*judicing the broad issue of* detente by linking human rights to such questions as the Strategic Arms Limitation Talks.

President Carter said tonight that the Soviet Union must observe human rights as well as restrain military power if it wanted genuine detente with the U.S.

He added that the U.S. wanted a SALT agreement because of the need to preserve peace, and that goal was set regardless of other problems in Soviet-American relations.

Herr Schmidt, for his part, emphasised the contribution that the East European countries had made by allowing tens of thousands of family reunions and giving permission for over 75,000 ethnic Germans to resettle in the Federal Republic in the past 18 months alone.

Nonethless, the Chancellor's remarks struck many observers here as a radical departure from Bonn's pevious line of soft-pedalling human rights violations.

Weather

DRY, cloudy, sunny intervals.

Cent. S., S.W. England, Channel Isles, S. Wales

Dry, sunny. Max. 22C (72F).

E. Anglian, E., N.E. England, N. Wales, N.W. England, Lakes, Isle of Man, S.W. Scotland,

Dry, cloudy, sunny intervals. Max. 18C (64F).

Cent. Highlands, N.E., N.W. Scotland, Orkney, Shetland

Cloudy, hill fog, rain. Max. 12C (54F).

London, Midlands, Cent. N., S.E. England

Dry, sunny. Max. 20C (68F).

● Generally warmer weather is expected during the next 30 days.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amsrdm.	C	15	59	Luxembrg.	C	20	68
Athens	S	36	97	Madrid	S	33	91
Barcelona	S	24	75	Manchstr.	C	15	59
Beirut	F	29	84	Melbourne	F	12	54
Belfast	F	17	63	Mexico C.	S	19	66
Belgrade	F	26	79	Milan	S	29	84
Berlin	C	16	61	Montreal	S	23	73
Birmnghm.	F	21	70	Moscow	C	19	66
Bristol	S	23	73	Munich	F	22	72
Brussels	C	18	64	Newcastle	C	12	54
Budapest	F	24	75	New York	C	22	72
B. Aires	C	17	63	Oslo	F	20	68
Cairo	S	38	100	Paris	F	22	72
Cardiff	S	20	68	Perth	R	17	63
Chicago	S	26	79	Reykjavik	R	9	48
Cologne	C	16	61	Rio de J'o	S	25	77
Copnhagn.	C	16	61	Rome	S	31	88
Dublin	S	21	70	Singapore	S	32	89
Edinbrgh.	C	17	63	Stockholm	C	15	59
Frankfurt	F	22	72	Strasbrg.	F	24	75
Geneva	S	25	77	Sydney	F	14	57
Glasgow	C	19	66	Tel Aviv	S	29	84
Helsinki	R	15	59	Tokyo	R	29	84
H. Kong	S	30	87	Toronto	C	23	73
Jo'burg	C	17	63	Vienna	S	26	79
Lisbon	S	27	81	Warsaw	F	19	66
London	C	18	64	Zurich	S	23	73

HOLIDAY RESORTS

		°C	°F			°C	°F
Ajaccio	S	25	77	Jersey	S	21	70
Algiers	S	27	81	Las Plms.	S	23	73
Biarritz	S	22	72	Locarno	F	26	79
Blackpool	C	16	61	Luxor	S	44	111
Bordeaux	S	29	84	Majorca	S	28	82
Boulogne	S	18	64	Malaga	S	26	79
Casablnca.	S	24	75	Malta	S	35	95
Cape Town	S	21	70	Nairobi	C	20	67
Corfu	S	33	91	Naples	S	29	84
Dubrovnik	S	31	88	Nice	S	26	79
Faro	F	22	72	Nicosia	S	25	77
Florence	S	32	90	Oporto	C	17	63
Funchal	F	22	72	Rhodes	S	34	93
Gibraltar	S	24	75	Salzburg	C	24	75
Guernsey	S	18	64	Tangier	S	27	81
Innsbruck	F	25	77	Tenerife	S	19	66
Inverness	C	20	68	Tunis	S	40	104
I. of Man	S	17	63	Valencia	S	27	81
Istanbul	S	30	86	Venice	F	28	82

S—Sunny. R—Rain. F—Fair. C—Cloudy.

Allegros recalled after M-way crash verdict

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BL CARS is recalling 140,000 Allegros in a swift response to criticism in a Middlesborough court on Wednesday that it had ignored "horrifying evidence" of wheels coming adrift on early models.

In a careful statement, BL, formerly British Leyland, said its decision to call in the cars was not meant to prejudice the possibility of an appeal.

The company had noted the remarks *of the judge* and was "concerned that the action it had asked dealers and distributors to take in early 1974 may not have been undertaken on Allegros of early manufacture."

Allegros with chassis numbers up to 140705 will be affected by the recall, which will involve a check on rear hub assemblies.

BL wants owners of cars which need checking to contact Austin Morris dealers or distributors for a free check and, if necessary, a fitment of a larger washer in *the rear hub assembly.*

Sir Hugh Fraser fined £600 over share dealings and loan

BY RAY PERMAN, SCOTTISH CORRESPONDENT

SIR HUGH FRASER, the financier and stores chief, was fined a total of £600 yesterday for charges connected with share dealings and a £4.2m loan.

He denied a charge under the Companies Act, 1948, over misclassification of a loan in 1975 in the accounts of Scottish and Universal Investments (SUIT's), but was fined £100.

He was fined £500 on separate charges, which he admitted, of *failing to notify* the company of 60 of his dealings in its shares within the required two-week period.

The case was heard at Glasgow Sheriff Court during May and adjourned for verdicts.

At the time of the misclassification, Sir Hugh was SUIT's chair*man and managing director.* He became deputy chairman after selling his shares to Lonrho, but remains a director. He declined to comment after the hearing.

Two other former directors of SUITs, Mr. William Forgie, who was an assistant managing director, and Mr. Angus Grossart, managing director of the merchant bank, Noble Grossart, were also found guilty with Sir Hugh yesterday of failing to give a true and fair picture of the company. They were each fined £75.

Mr. Forgie was also fined £35 for failing to notify two share transactions, but Mr. Grossart was acquitted of a similar charge.

Two non-executive directors, Mr. Edward Gamble and Mr. Nicholas Redmayne, were cleared of the loan charge, although Mr. Redmayne was fined £100 for failing to notify 12 share deals, and another assistant managing director, Mr. James Gossman, had the charge against him found not proven.

The main charge in the case concerned a loan by SUITs to AmCal, a property company in which it had an indirect interest, involved in the re-development of the Army and Navy Stores site in Victoria Street, London.

In his 50-page judgment, Sheriff J. Irvine Smith criticised the loan, which, he said, could never reasonably have been regarded as a sound investment. AmCal had been *a bad debtor.*

"It paid not one penny of interest and when inquiries were made by the SUITs' secretary, seeking their money, a picture, by no means unfamiliar in such situations, emerged—a picture of unobtainable documents, unobtainable company returns, unobtainable, elusive, or as it turned out, irresponsibly optimistic officials."

He declared himself dissatisfied with certain explanations advanced for the loan being made.

SUITs had lost the loan twice, the Sheriff added. It was lost in fact and lost in the SUITs balance sheet, where it was included in the notes with "cash at bankers or on hand."

That misclassification was overlooked by a team of highly-qualified accountants and of businessmen, of whom two were chartered accountants and one, Sir Hugh, had vast business experience.

The misclassification was a sin of omission, Sheriff Smith said. Reasonable steps were not taken by certain of the directors adequately to examine the *balance sheet to see* that the loan was mentioned.

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